

الجزيرة الدولية

Table with 3 columns: Country, Price, and other details. Includes entries for Africa, Asia, Europe, and other regions.



A policeman in the border town of Mali Zvornik, Serbia, checking a truck's papers Friday. Serbia's announced plan to cut access is apparently not being enforced.

Clinton Is Confident A 'Common Approach' Is Emerging on Bosnia

By Thomas L. Friedman

WASHINGTON — Despite the apparent lack of progress from a week of diplomatic consultations, President Bill Clinton said Friday that he expected to produce a "common approach" with Europe soon on military action in Bosnia.

"There's still some disagreement around the edges about what the overall specific tactical steps should be," Mr. Clinton said after a meeting at the White House with representatives of the European Community.

Some European officials have suggested that they are not seeking some formal agreement but are simply waiting for Mr. Clinton to make up his mind and then will be willing to give their support.

Still, American officials were upbeat Friday about the prospects of being able to proceed soon with some variant of their strategy: lifting the arms embargo on the Bosnian Muslims and combining that with air strikes against the Bosnian Serbs to create a more equal balance between the two sides before negotiating a final settlement.

"It was not clear whether Mr. Clinton really expected a concrete agreement to emerge among the allies, or was simply putting the best diplomatic face on his dilemma. But for the first time, he began to make the public case for lifting the arms embargo on the Muslims, something Mr. Christopher has been trying to sell to the European allies for the last week.

Mr. Clinton said the imposition of the UN embargo on Bosnia "before actually this country was even created and recognized had the unintended consequence of giving the Serbs an insurmountable military advantage, which they have pressed with ruthless efficiency."

"I think we've got to keep the heat on," he said. "Obviously the chancellor must go, and it was a grave mistake that he wasn't changed last autumn," said a Conservative member of Parliament, John Carlisle.

This suggests that the British might be persuaded to come around to the American view. Mr. Hogg also said Britain can see "more merits" in air strikes, without lifting the arms embargo.

Administration officials are clearly discussing this as a compromise option — bombing the Serbs from the air for several days to see if that alone is enough to get them to sign onto the UN-backed peace settlement, without taking the potentially escalatory step of lifting the embargo.

Another option under discussion is to try to build on the decision by President Slobodan Milosevic of Serbia to close off his border with Bosnia to all but humanitarian supplies, after

At the Border, No Sign Yet Of Promised Serb Embargo

Compiled by Our Staff From Dispatches

MALI ZVORNIK, Serbia — Traffic rumbled back and forth across the Drina River bridges on the frontier between Bosnia and rump Yugoslavia Friday despite a blockade declared by Belgrade's government.

Yugoslav security forces at a roadblock on a bridge at Mali Zvornik said they had not been given orders to apply the embargo announced Thursday by Serbia against their Bosnian kin.

Elsewhere, there were no signs that the Bosnian Serbs were responding to international pressure to stop the campaign of conquest and "ethnic cleansing" in Bosnia.

Two 16th-century mosques, including one considered one of the most beautiful in the former Yugoslavia, were blown up in the Bosnian Serb stronghold of Banja Luka in an attack condemned by the United Nations as an attempt by extremists to terrorize Muslims into flight.

The commander of the Bosnian Serb Army denied UN military observers access to the besieged Muslim enclave of Zepa, where fierce fighting was reported for a fourth day, a UN spokesman said.

The eastern Bosnian settlement, where about 40,000 civilians are trapped, was one of four Muslim enclaves that the Security Council declared as UN-monitored "safe areas" on Thursday, along with the capital, Sarajevo.

The capture of Zepa would bring Bosnia's Serbs closer to their goal of uniting the entire region with Serb-dominated Yugoslavia.

An amateur radio operator said in a broadcast from Zepa, monitored in Sarajevo, that Bosnian Serb tanks were pounding the mountain settlement and that at least 200 people had been killed since the onslaught was begun Tuesday.

Belgrade's decision to end support for Bosnian Serbs came hours after the self-styled Bosnian Serb parliament defied pleas by Serbia's president, Slobodan Milosevic, and other Yugoslav leaders to accept a UN peace plan that calls for dividing Bosnian among Serbs, Muslims and Croats.

The assembly said it wanted to hold a referendum on the plan May 13 and 16.

During their yearlong fight against Bosnia's Muslims and Croats, the Bosnian Serbs have been dependent on Serbia for their fuel, weapons and ammunition.

Bragging that Bosnian Serbs did not need weapons supplies from Serbia, one Bosnian Serb soldier said: "You guys have got it all wrong. We've got enough of our own guns."

A trade inspector from Belgrade, Danilo Hajduk-Veljkovic, said that "everything except humanitarian food and medicine."

See BOSNIA, Page 5

'Bloody Nose' From Voters Adds to Major's Woes

By Eugene Robinson

LONDON — Just when it looked like Prime Minister John Major's government was finally getting on track, Mr. Major was suddenly in deep political trouble again Friday after voters gave his Conservative Party "a bloody nose" in local elections.

The Conservatives lost the one seat in the House of Commons that was up for grabs in the elections on Thursday.

In voting for local county councils throughout England and Wales, the Conservatives did even worse. They lost control of 15 councils, which left them with firm control of only one such body throughout England and Wales.

Mr. Major said he would offer "no excuses" for the results. "People were determined to give the government a bloody nose, and that, in practice, is what they did last night," he said.

Asked if he felt humiliated by the outcome, Mr. Major replied: "I don't think you can be humiliated by democracy."

Democracy is there to tell governments when people are concerned that things haven't gone right.

Other senior Conservatives were less sanguine about the message the voters had delivered. "When a government is in trouble we are all vulnerable, particularly ministers," said Sir Marcus Fox, who heads an influential group of Conservatives in the House of Commons.

He and others said that Mr. Major may now have to shuffle his cabinet. "With polls showing that voters were angry about the economy, the focus was on the chancellor of the Exchequer, Norman Lamont, as a possible sacrificial lamb."

See BLOODY, Page 5

It's Back to Basics, as White House Seeks a New Start

By Ann Devroy

WASHINGTON — Seeking to recapture the focus of his presidency after a halting start, President Bill Clinton will try to go "back to basics," concentrating broadly on economic revitalization, getting out more into the country and limiting what he perceives as government initiatives, the White House said Friday.

prepared, in effect, to start over, picking up the broad outline of his economic proposal and using its emphasis on "investment," "fairer taxation," and health care overhaul to bring back into the public mind the positive images that brought victory in November. They were again in view the week he announced his economic program in February, but they have not been much since.

"The president is getting defined by his compromises, not by his principles," one senior aide said. "He knows and we know it's time to go back to basics."

of the economic package is important to the White House because it helps define the president as a "new" Democrat.

Mr. Gephardt said the Democrats could "get a significant part" of the package approved but added that there was "no way" Congress would go for all of it because of budget restraints.

See BASICS, Page 3

Kiosk

Italian Survives Confidence Vote

ROME — Prime Minister Carlo Azeglio Ciampi survived his first big parliamentary test Friday when his 8-day-old government won a confidence vote on proposals for political and economic reform.

The vote in the Chamber of Deputies was 309 to 60, with 185 abstentions. It was a seal of approval for Mr. Ciampi's program, unveiled in his maiden speech to Parliament on Thursday. Article, Page 2

Argentina Protests U.K. Move Off Falklands

BUENOS AIRES (Reuters) — Argentina handed a "strongly worded" note to the British ambassador on Friday protesting Britain's decision to extend its territorial waters around several disputed South Atlantic islands, the Argentine Foreign Ministry said. Britain said Thursday that it was extending to 200 miles (320 kilometers) its 12-mile territorial jurisdiction in waters surrounding South Georgia and the South Sandwich islands, two remote archipelagoes lying east of the British-ruled Falkland Islands. Argentina lost the 1982 war but the two nations fought over the Falklands.

The story, as told by the lobbyist and Treasury Department officials, began early last year when the House Ways and Means Committee voted to deny deductions for club dues.

General News

U.S. Muslims as conservative force. Page 3. Bonn and Warsaw signed an accord on the return of asylum-seekers. Page 2. More voices were heard in Japan to end peacekeeping role in Cambodia. Page 2. Art: New splendors at Venice's Correr Museum. Page 7.

Business/Finance

Michelin plans further job reductions. Page 9. Sweden was hit by a major strike. Page 11. Western status symbols are selling better than ever in Japan. Page 13. Money Report: Is it time to worry about inflation? Pages 14-15.

Table with 2 columns: Dow Jones and Club Index. Dow Jones: Down 4.71, 3,437.19. Club Index: Down 0.46%, 100.62.

Table with 2 columns: The Dollar and other financial data. The Dollar: New York 1.566, 1.5736. DM 1.5695, 1.581. Yen 110.375, 110.07. FF 5.338, 5.305.



President Bill Clinton and Vice President Al Gore, followed by Representative Thomas S. Foley, the House speaker, and Senator George J. Mitchell, the majority leader, at far right, striding across the South Lawn during a busy Friday at the White House.

The Lobbyist and the Tax Law: Not a Typical Money-and-Power Story

By David E. Rosenbaum

WASHINGTON — Under President Bill Clinton's tax bill, businesses would no longer be allowed to take tax deductions for the cost of their executives' club dues. With this exception, dues for membership in airline and hotel clubs would continue to be deductible.

Clinton seeks curbs on election gifts and spending. Page 3.

Ms. Hevener, 41, who goes by the nickname Handy, is one of a breed peculiar to Washington. She is an expert, one of the foremost experts, on one arcane part of the tax code: the tax deductibility of employee benefits.

"I love it," she said. "It's more fun than just money over time. I walk down the street and see a truck and say, 'Hey, there's a qualified nonpersonal-use vehicle.'"

See LOBBY, Page 3

measure and, she recalled this week, thought: "This is crazy. This is nuts. They are really screwing up."

She worked in the Office of Tax Analysis at the Treasury Department for three years in the early 1980s, specializing in employee benefits. She is now a partner in a law firm that represents dozens of big companies.

See STRATEGY, Page 5

U.S. Officers Say Bombing Could Quiet Serb Guns

By Michael R. Gordon

ABOARD THE THEODORE ROOSEVELT, Adriatic Sea — Military officials involved in planning air strikes against the Bosnian Serbs believe that air attacks would be effective in suppressing the Serbian artillery fire that has fallen on Sarajevo and other Muslim or Croat-held towns and cities in Bosnia.

Asked if allied air power could largely erase the advantage of the Bosnian Serbs in artillery, Captain Charles W. Moore Jr., the commander of the aircraft on the carrier Theodore Roosevelt, said: "I think you could do it."

"You are going to destroy a lot of artillery sites before lunch if you started at first light," Captain Moore said, adding that success would depend on the element of surprise. "After lunch, they are going to be hiding them, so they are not going to be shooting."

He acknowledged that the Serbs might quickly pull some artillery pieces out of hiding and fire them. But patrolling aircraft would be able to respond and disrupt Serbian efforts to mass artillery fire, he asserted.

According to classified intelligence reports, the Bosnian Serbs have a 40,000-man force. It has 300 tanks, 600 artillery pieces, and hundreds of mortars.

See STRATEGY, Page 5

And it shows how some of the most successful behind-the-scenes manipulation of legislation is not done by vengeful

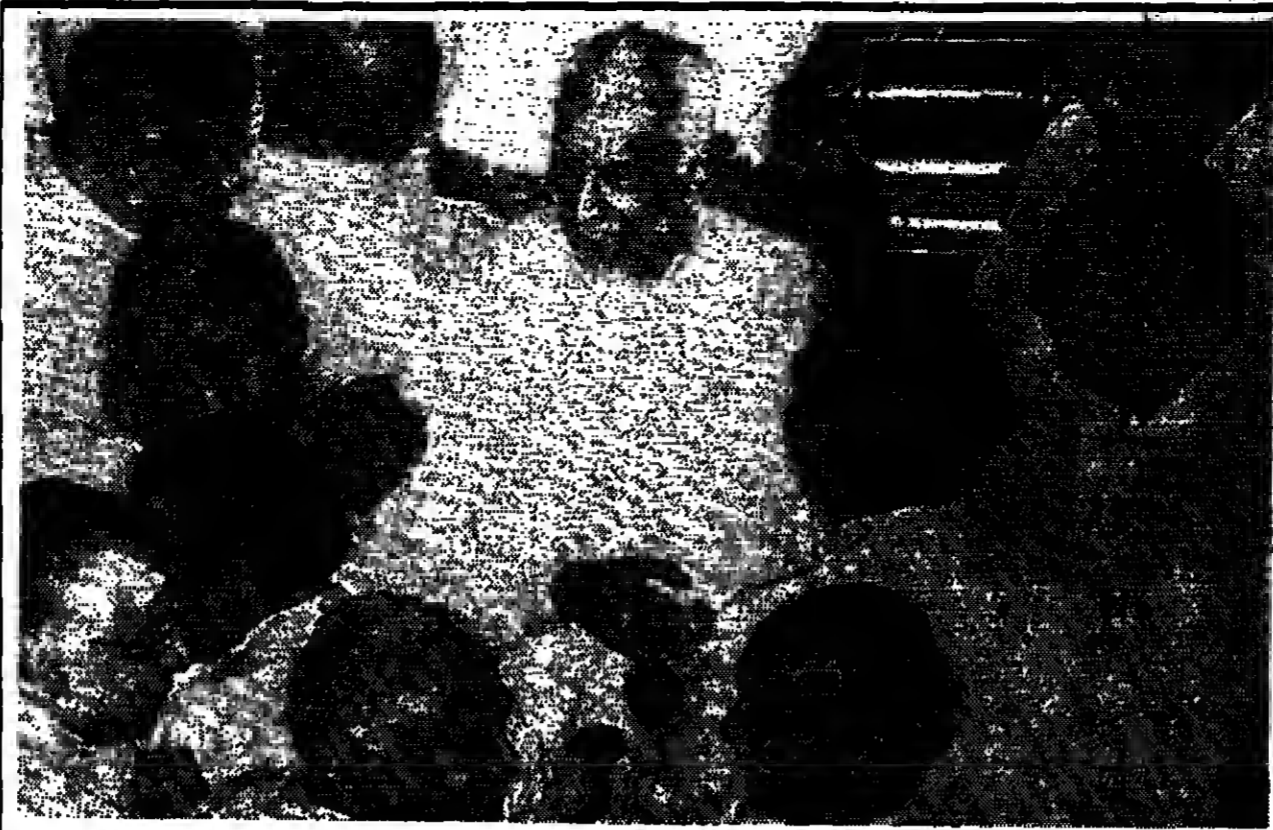
The disparity in weaponry is a main reason

Attention when it comes to food is a tomobile for eating.

Ciampi Wins Test Of Program for Massive Change

By Alan Cowell
New York Times Service
ROME — Italy's new prime minister, Carlo Azeglio Ciampi, won a first and important parliamentary confidence vote Friday night that endorsed proposals for reform in which the country's political map is supposed to be redrawn to prevent the economy from sliding into further disarray.

Ciampi is the 42nd postwar Italian government. On Thursday, the Socialists, deeply implicated in Italy's vast bribery scandal, threatened a walk-out but, in a later reversal, said they would support the government. Those who opposed it Thursday night were small fringe groups, such as neo-fascists, hard-line communists and the anti-Mafia La Rete party, the very existence of which is threatened by the proposed changes.



Dingiri Banda Wijetunga, center top, being congratulated by legislators after his unopposed election as Sri Lanka's president.

Sri Lankan Leader Asks Rebel to Talks

Compiled by Our Staff From Dispatches
COLOMBO — Prime Minister Dingiri Banda Wijetunga, elected unopposed to succeed the assassinated Ranasinghe Premadasa as president, said Friday that his first task was to unify Sri Lanka, and he invited a rebel leader to peace talks.

After being sworn in, Mr. Wijetunga appointed Ranil Wickremesinghe, 44, as the prime minister. Mr. Wickremesinghe, who is minister of industries, science and technology, keeps those portfolios. The same 22-member cabinet was retained, the government said.

rest of his term. The opposition wants early parliamentary elections and a popular presidential election. Sirima Bandernalle, head of the main opposition Sri Lanka Freedom Party, said the country had been "gravelly imperiled" by the authoritarian rule of Mr. Premadasa and his predecessor, J. R. Jayawardene.

Bonn and Warsaw Sign Refugee Pact

By Craig R. Whitney
New York Times Service
BONN — Germany, on the verge of changing its constitution to cut down a flood of foreign asylum-seekers, signed a treaty with Poland on Friday that will allow it to turn many back at the border and deport up to 10,000 rejected applicants who arrive from Poland this year.

Gypsies who say they are fleeing persecution from Romania and Bulgaria, asserted: "Poland is slowly becoming equipped to be a forward observation post for German interests." The influx of asylum-seekers has been blamed for a wave of attacks by rightist extremist groups in Germany. A total of 2,280 such attacks resulted in the deaths of 17 people, 7 of them foreigners, last year, before the government banned several of the groups.

Interior Minister Rudolf Seiters described the treaty as a model for a similar one his country is trying to negotiate with the Czech Republic. Germany will also pay Poland 120 million Deutsche marks (\$76.4 million) this year and next to provide shelter for immigrants and improve surveillance of its own borders, with equipment purchased from Germany with the money provided under the treaty.

In Japan, Louder Calls to End UN Role

By Paul Blustein
Washington Post Service
TOKYO — When a Japanese policeman was killed and four others wounded Tuesday while carrying out a United Nations force in Cambodia, the deeply pacifist nation joined the ranks of countries that occasionally sacrifice lives and limbs in the cause of restoring peace to troubled lands.

A delegation of officials arrived in the Cambodian capital, Phnom Penh, on Friday night and asked the UN Transitional Authority in Cambodia to permit the 70-old remaining Japanese policemen to leave their posts at least temporarily for a "consultation" in Phnom Penh. According to Japanese news reports, the UN command is resisting the request on the ground that no special treatment can be accorded any particular nation.

western Cambodia, news agencies reported Friday from Phnom Penh, Cambodia, quoting a senior guerrilla officer. "I think the attack on Vietnamese and their puppets will take place in the next few days," he said, referring to the Phnom Penh government, formed by the Vietnamese who occupied Cambodia from 1979-1989. The officer said Khmer Rouge reinforcements were approaching the town of Sisophon, Battambang and Stien Reap and were poised to attack.

North Korea Sets Limit On UN's Nuclear Team

The Associated Press
VIENNA — North Korea has issued visas to three United Nations nuclear inspectors after weeks of stalling, but it will sharply restrict their activities in the country, a UN official said Friday.

It was unclear why North Korea was limiting the size of the team, which would normally be much larger.

Abortionists Feel the Threat Stand-In for Slain Clinic Doctor Fears He May Be Next

By William Booth
Washington Post Service
PENSACOLA, Florida — He is angry, fearful, frustrated and alone. He is a gynecologist who has temporarily replaced Dr. David Gunn, the physician shot to death in March at an abortion clinic here.

Keith Tucci, a founder of the anti-abortion group Operation Rescue, said recently, "The weak link is the doctors." He added: "In the future, abortion will be legal, federally funded, federally sanctioned. There just won't be any doctors willing to perform them."

Griffin, a man with a violent past who was loosely affiliated with local anti-abortion activists, is awaiting trial on an murder charge. Only two of the six clinics have found permanent replacements, and several have cut back on the number of abortions performed.

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Prague Aides Deny Word Of Plot to Murder Havel

PRAGUE — The police and Interior Ministry officials contradicted Interior Minister Jan Ruml on Friday, saying they had found no evidence of a foreign conspiracy to assassinate President Vaclav Havel.

Mr. Ruml had told Czech television Thursday that the police had captured five foreign suspects in connection with a plot to kill the 56-year-old president. But at a news conference less than 24 hours later, an Interior Ministry spokesman, Jan Subert, said there was "no proof that an assassination attempt was being prepared."

The doctor here spoke angrily about failure of politicians and law enforcement officials, including Attorney General Janet Reno, to treat anti-abortion activists as terrorists interfering with one of the nation's most common surgical procedures. Protesters make his patients so nervous, he said, that abortions become more difficult and dangerous.

Dr. Johnny B. Delashaw, a neurosurgeon, said, "If he had succeeded, the flanges slicing through his brain would have killed him instantly." Why are basketball players sometimes called cagers? Because, explains the "Why Things Are" column of The Washington Post, when James Naismith invented the game in 1891, a ball that went out of bounds belonged to the team that recovered it.

AIDS Vaccine to Be Tested in Pregnant Women

The Associated Press
WASHINGTON — Experimental vaccines will be given to HIV-infected pregnant women to test whether the drugs are safe and newborns can be protected from the fatal AIDS disease, federal health officials announced.

The candidate vaccines are being tested for their ability to stimulate an anti-virus response in women who have HIV and to find out if this response is passed on to the babies the women are carrying, said Health and Human Services Secretary Donna E. Shalala.

Dr. Anthony S. Fauci, the head of the National Institute of Allergy and Infectious Diseases, said it is hoped that the candidate vaccines trigger antibodies that will not only help the mother but also cross into the baby and protect it from HIV. A similar procedure for tetanus immunization.

The Maryland state motto, "Fatti maschii, parole femine," which is also the motto of the Calvert family, which founded the colony, is Italian for "Manly deeds, womanly words." This is now considered sexist, so the state House of Delegates is weighing a rough but consistent translation into English: "Strong deeds, gentle words." The Washington Post ran a contest for humorous substitutes. The winner was "Maryland: Wait, we can explain..." Other entries included "Maryland: Home of its residents" and "Maryland: It looks better in the dark."

Arthur Higbee

JAVICO 1550

STATESIDE / MONEY AND POLITICS

Clinton Proposes Curbs on Election Gifts and Spending

WASHINGTON — President Bill Clinton introduced legislation Friday to curtail the giving power of special interest groups and the wealthy to House, Senate and presidential campaigns.



President Bill Clinton taking a stance at the White House during a meeting with Stan Musial, the former St. Louis Cardinals star.

The Conservative Cast of U.S. Muslims

By Peter Steinfels
DEARBORN, Michigan — There is an almost startling contrast between a resurgent Islam's tumultuous role on the world scene and the expectations of how a growing Islamic presence will change America.

Away From Politics

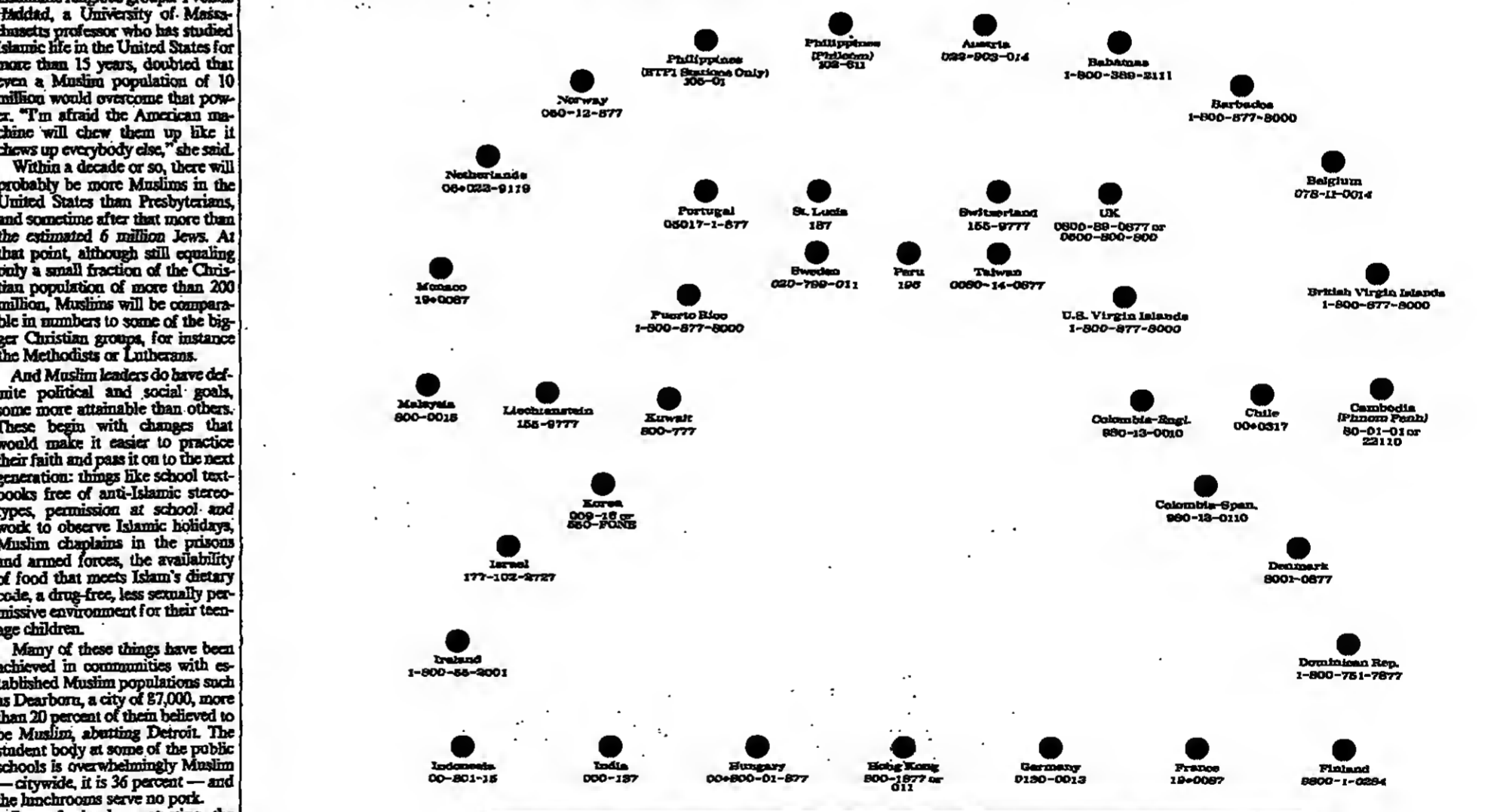
- The two Los Angeles police officers convicted of violating Rodney King's civil rights in March 1991...
Members of a predominantly gay and lesbian synagogue have been banned from the Salute to Israel Parade in New York...

BASICS: Preparing to Start Over

The effort comes as Bosnia looms large on the White House screen, interfering at least temporarily with a full-fledged domestic focus.

LOBBY: Arcane Effort

illustrate that point was an airline club or a hotel club. Like in a hotel, you can go down to the 14th floor and get pink fluffy towels. In an airline club, you can sit down and use the phone.



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Table listing international calling codes for various countries, including Australia, Austria, Belgium, Canada, etc.

When I'm sitting around in my backyard with my friends on a Saturday, she said, "I don't say, 'Hey, let's go out to the airport to my club.' I wouldn't have any friends."

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POLITICAL NOTES

Senate Shrinks the Loopholes for Lobbyists

WASHINGTON — The Senate has overwhelmingly approved the most far-reaching overhaul of lobbying laws in half a century, including provisions to tighten registration laws and require lobbyists to publicly disclose meals, entertainment, trips and other gifts to lawmakers and their staffs.

Hillary, Again: Buildup for the Messenger

WASHINGTON — Suddenly, Hillary Rodham Clinton's face is back on the overcast days, from Family Circle to the cover of People, from Time to The Washington Post.

Woman as President? Clinton Sees It Coming

Mr. Clinton predicts a woman will be elected president in his lifetime and says voters might find a woman in charge at the White House more acceptable than his wife's high-profile advisory role.

Quote/Unquote

Senator Jesse Helms, Republican of North Carolina, on why he will oppose the nomination of a San Francisco gay rights activist, Roberta Achenberg, to be assistant secretary for fair housing at the Department of Housing and Urban Development.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

Before Turning to Force

By emphatically rejecting a compromise peace plan that even their closest allies had urged them to endorse, Bosnia's Serbian parliament... flings a challenge at the international community...

The European leaders with whom Secretary of State Warren Christopher has been consulting have made plain their uneasiness about the very step Mr. Clinton seems to favor most strongly... lifting the UN arms embargo on the Bosnian government...

The Korean Test Case

North Korea is the test case in which the rest of the world will demonstrate the ability - or lack of it - to enforce the rules against illicit nuclear weapons...

North Koreans refused. The inspectors pressed. The North Koreans, caught in a series of lies, responded by declaring last month that they would withdraw from the nonproliferation treaty altogether...

Their Grimiest Secret

All it takes is one good man or woman. In this case, the good man is Senator Paul Wellstone, a Senate outsider who is one of its most idealistic members...

uncertain. Consider the attitude of House Speaker Thomas Foley. 'I don't believe there's a serious problem,' he said in a confusing statement...

Other Comment

Tough Talk From Clinton
President Bill Clinton has decided to commit the United States to hard-nosed diplomacy in Bosnia, demanding an end to Bosnian Serb 'ethnic cleansing' and backing the demand with a threat of U.S. military force...

In This Moment of Truth, Clinton Must Lead

By Anthony Lewis

BOSTON - If there was any doubt left, the Serbs have blown it away. They will not agree to a peace that keeps them from conquering all they want in Bosnia.

They delivered that message to the world with contempt, twice in a single day. The so-called Bosnian-Serb parliament rejected the Vance-Owen peace plan for Bosnia. Then Serbian military

The stakes in Bosnia are high not only for America but for its West European allies, and for Russia.

forces aimed a devastating artillery barrage at Zepa, one of the last Bosnian government enclaves in the eastern part of the country, filled with Muslim refugees.

The end of the fantasy that Serbian leaders can be coaxed into being reasonable plus President Bill Clinton in a hard place. He promised tougher action - military action - if the Serbs finally rejected peace.

But the stakes are high also for U.S. allies in Western Europe, and for Boris Yeltsin's Russia. For if they say no to Mr. Clinton's request for military cooperation...

Some Americans feel an understandable emotional urge to punish the Bosnian Serbs with an immediate military strike. Yet to proceed without a stronger consensus and a clearer plan could prove catastrophic.

Mr. Clinton is now confronted with an urgent and difficult international challenge. He cannot afford to duck his leadership responsibilities or delay his response.

But if military force is going to be used for political ends, then Americans have a right to know just what those ends are and

have support from Congress and the public. Presidents Ronald Reagan and George Bush took several unilateral military actions that constitutional scholars thought exceeded their power...

The Bosnian situation cannot be analogized to Panama or Grenada, where presidents justified acting alone because of the need for speed and surprise...

There is an even broader concern for Europe and the industrial world, I think. Failure of this urgent call for cooperation could turn America further inward on trade and other issues.

For President Clinton it is a test he did not want, and one with great dangers for him. That the problem is hard, that he anguished over it - Americans will give him no sympathy for that...

A collective response is essential if Serbian aggression is to be blunted. The Europeans will have to accept, however reluctantly, Mr. Clinton's decision to take forceful action if the Bosnian Serbs continue to murder and terrorize the Muslims...

breaking its promise not to sell missile technologies to Pakistan. Here comes North Korea, moving into nuclear weaponry. Is there anybody in the White House who thinks Iran is not moving to the same goal?

Can the president keep virtually ignoring the one problem that runs up the highest costs for health care and crime and so deeply damages Americans' self-respect - addiction to narcotics, tobacco and liquor? Will the people do anything about it if the president acts barely interested?

For instance: Racially, America is on the march backward. Should he go even another 100 days without saying a word about America, black segregation is back, and black

They Came To Beirut to Keep Peace

By Charles Krauthammer

WASHINGTON - The Bosnia debate is becoming a duel of historical analogies. The administration, looking for ways to prepare the public for intervention in Bosnia, is fantasizing on Somalia, a relatively painless relative success.

Now, Somalia and Bosnia have only one thing in common. In neither conflict is a vital American interest at stake. They are both examples of humanitarian intervention.

Considerations of national interest do not figure in current policy. Some interventionists are motivated by reason of national interest. But they do not include the Clinton administration.

The administration holds fast to the belief that Bosnia is not war-making either. It is peacekeeping. Mr. Clinton's social engineers believe that if you put the word 'peacekeeper' on the uniforms of Americans, the war-makers are not going to shoot.

Yet 32 peacekeepers have already been killed in Bosnia (and their mission is far more passive than the one with which Americans will be charged). And there is that seminal lesson in the illusory difference between peacekeeping and war-making: Beirut 1983, the bombing of the marine barracks. The marines, too, had been advertised as peacekeepers.

Remember, U.S. troops went into Beirut twice. The first time, August 1982, there was a strategic rationale: to evacuate the Palestine Liberation Organization and thus end the Lebanon war. After that success, the troops withdrew. Less than a month later they returned, this time moved by guilt and moral outrage over Sabra and Shatila. Moved by the pictures, Americans returned to peace-keep. Sound familiar? This adventure ended with 241 dead machines.

What then will America do when ex-Yugoslavs start firing at U.S. peacekeepers, when they violate their signed agreements? If we Americans are really just peacekeepers, we will stand by and tut-tut. If we are serious about enforcing agreements then we will have to make war.

Then we have a simple choice. More men, more dead, until the job is done, as in - another analogy - Vietnam. Or withdrawal, as in Beirut (and, in the end, Vietnam too).

There is one more analogy worth recalling: Suez. In 1956, Britain and France seized the Suez Canal, which Nasser had nationalized. Eisenhower reacted sharply, and forced the British and France into a humiliating withdrawal. This split put enormous strain on the Atlantic alliance. It led to the resignation (and ruin) of the British prime minister. It helped to turn French foreign policy away from the United States for decades.

Bosnia, where the French and British view diverges deeply from Mr. Clinton's, has a similar potential. Mr. Clinton is trying to recapitulate Mr. Bush's Gulf War coalition. But Mr. Bush was able to line up Britain and France because they agreed on the need for military action in the Gulf.

In Bosnia, they don't. If Washington bullies them into war, there will be loud voices in Britain and France arguing that their blood and treasure are being expended to satisfy the Americans. But if they resist the pressures and the United States is forced to go it alone, loud voices in America will argue that the allies are unreliable, unwilling to share the burdens.

Even if we overcome our differences and go in together, think of what a long and costly NATO ground involvement in the Balkans will do to the alliance. A long and costly ground involvement in Southeast Asia nearly tore apart America. NATO is a far more fragile entity. It may turn out to be the ultimate casualty of the coming Bosnian war.

WASHINGTON - [From our New York edition:] The War Labor Board offered another argument today [May 8] for revision of President Roosevelt's 'hold-the-line' policy, as applied to wage raises, by announcing it had no power to raise women's wages to men's rates for doing men's work. The board deferred action until this point is cleared up on request by management and employees of the Waukesha Motor Company in Waukesha, Wisconsin, for a wage adjustment which would give men and women equal pay for equal work.

1893: A Royal Entourage
LONDON - The Queen arrived in London yesterday [May 8]. Her Majesty made the journey, as usual, in a special train, leaving Windsor about a quarter past eleven and reaching Paddington a few minutes before twelve. The arrangements incidental to Her Majesty's visits to the metropolis have become pretty well stereotyped by this time, and little or no deviation from the usual procedure is ever permitted to occur. However, Her Majesty, contrary to her usual custom, in leaving the station, occupied an open instead of closed carriage, drawn by four horses, as usual, with postillions and outriders.

1918: Tanks and Morale
LONDON - Referring in one of his dispatches to the new German tanks, Mr. Percival Phillips says the latest model has not satisfied the German High Command. Mr. Phillips adds: 'I hear that Hindenburg saw some of

A Tidy, Focused, Limited Presidency? No Thanks

By A. M. Rosenthal

NEW YORK - For weeks, some of President Bill Clinton's closest advisers have been telling him that he has taken on too many problems. They warn him that he has to cut back.

The president's effort to streamline his staff and make it more efficient is no big thing. Every important executive should routinely do that. But the advice to streamline and limit Mr. Clinton's own job - there we cut to the meaning and role of the presidency itself.

Some Clinton people have a distinct weakness for what psychologists call 'Magic Think' - I want it to be, so it is. They wanted the president to be able to concentrate on economics. They wanted the rest of the world to laud into the background.

In Bosnia, bombings would be the beginning for Mr. Clinton, not the end. Though the Bosnian Serbs may have brought it on their own heads, it will be Mr. Clinton's responsibility to prevent the war from spreading through the Balkans. No, that's not fair. Bombing or peace. Mr. Clinton should be appointing people he trusts to figure out how Bosnia happens.

The West quickly backed Croatian and Slovenian declarations of independence. That made the Muslims' decision for an independent Bosnia inevitable. But neither Europe nor the United States figured out that Serbs, fearing isolation in parts of their own country, might slaughter and expel Muslims to prevent it - or what Western Europe would do about it other than wait for America.

In the next few years a dozen other secessionist movements may demand independence in Eastern

Europe and the former Soviet Union. What will we do? The president has to figure that one out now, not when the bombing decisions come around.

breaking its promise not to sell missile technologies to Pakistan. Here comes North Korea, moving into nuclear weaponry. Is there anybody in the White House who thinks Iran is not moving to the same goal?

Can the president keep virtually ignoring the one problem that runs up the highest costs for health care and crime and so deeply damages Americans' self-respect - addiction to narcotics, tobacco and liquor? Will the people do anything about it if the president acts barely interested?

For instance: Racially, America is on the march backward. Should he go even another 100 days without saying a word about America, black segregation is back, and black

where it can hurt most: the campus. The fact that it is by African-American decision does not make it less dangerous for them and other Americans. For one example of a country dividing by religion, color or class, see above under Bosnia.

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Innocence Betrayed: European Socialism Is Dying

By William Pfaff

PARIS - There has been a moral collapse of the West European left, implicated in its near-total political collapse. The Socialist movement, which a half-dozen years ago was in power in nine of the 17 major West European nations, survives as a member of only six European governments.

In two of those it is threatened. In Italy, where the entire political system is on the brink of a quasi-revolutionary reconstruction, the Socialist Party is deeply compromised by corruption. Bettino Craxi, the former Socialist prime minister, has had to resign after a scandal involving a large sum of money paid to a minister to prevent the party from being disbanded.

Spain confronts parliamentary elections June 6, brought forward by Prime Minister Felipe Gonzalez precisely because of the threat posed to his Socialist government by evidence of corruption among some of his Socialist colleagues.

There is symbolism in the suicide last week - on May 1, the European workers' holiday - of France's former Socialist prime minister, Pierre Berégovoy. The symbolism is that of a certain innocence betrayed. No one believes Mr. Berégovoy corrupt, but his final weeks in government were overshadowed by the revelation that seven years ago, in order to purchase an apartment, he had accepted an interest-free loan from a financier of doubtful reputation, none other than longtime intimate of President François Mitterrand himself.

Mr. Berégovoy was from an immigrant working-class background and attended a railway trade school with the ambition of becoming a station master. Joining the Socialist Party put him on a different track, which eventually led him to the Economy Ministry and later the prime minist-

ry. In those offices he was constrained to adopt economic policies that seemed to many of the Socialist rank and file to contradict their social reformist and the utopianism of traditional socialism.

Many French Socialists believed that Mr. Berégovoy's commitment to economic austerity and his defense of

Franklin Roosevelt's New Deal and Lyndon Johnson's New Society were experimental and pragmatic, and not in the least ideological or utopian.

In the United States, everyone is an optimist, including the so-called conservatives and reactionaries, all of whom believe their ideas can transform society for the better. Europe is populated by pessimists. To be an optimist in Europe, expecting change to produce a better life for all, automatically identifies you as a member of the political left.

European socialism's collapse has come first from the impracticability of its original utopian programs. These had to be abandoned. The West German Socialists did it under the leadership of Willy Brandt as long ago as 1959. The French and Spanish Socialists did so soon after coming to power in the 1980s. All of them - even the Scandinavian Social Democrats - have subsequently found themselves conducting economic and social policies very close to those of rival conservative or center-right governments.

An austerity dictated by international economic forces has meant high unemployment, higher taxes and reduced social spending. This has seemed not only a betrayal of Socialist ideology but has had the practical consequence of undermining the Socialist parties' electoral base. Working-class votes have tended to be drained off into populist and anti-immigrant movements, or to be split off by social and 'cultural' controversies. Middle-class sympathizers have often gone over to the Greens. In Germany, the constitutional debate over political refugees and the use abroad of the army has divided the left.

The Socialist leaders themselves - having no wealthy individual or corporate sponsors - tolerated or invited illegal contributions. Not all of that money was faithfully passed on to party treasuries. Money scandals have had ruinous effect on the politi-



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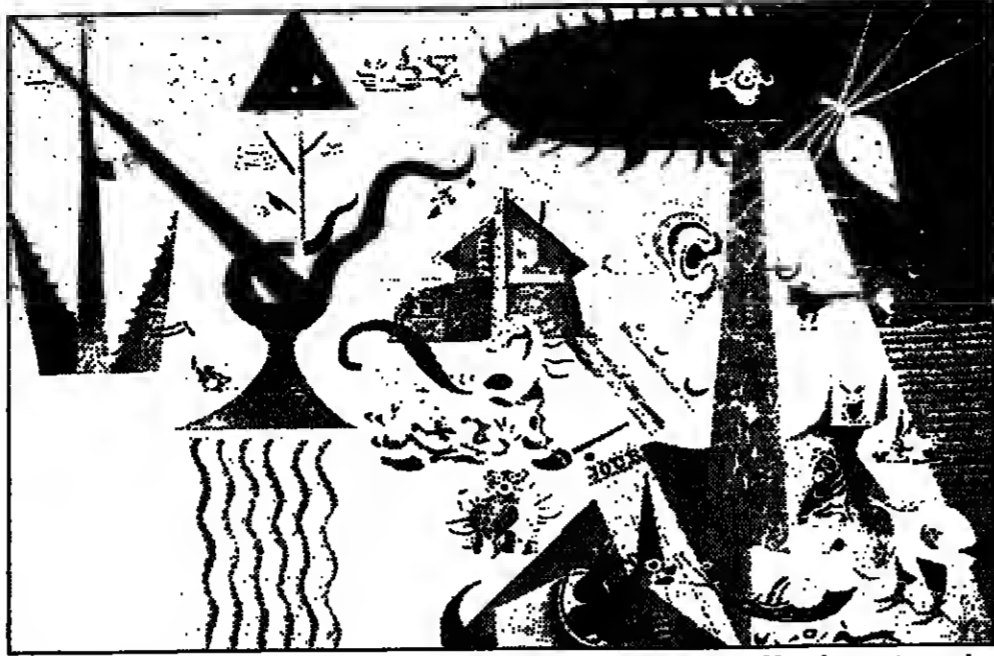
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ART

In Retrospective, Barcelona Honors Native Son Miró

By Alan Riding

BARCELONA — Joan Miró was born here 100 years ago, but he spent most of the 1920s and 1930s in Paris and then settled in Palma, Majorca, where he died in 1983. Indeed, until he established the Joan Miró Foundation in Montjuïc Park overlooking this city in 1975, Barcelona had few of his works.



"Ploughed Field," executed by Miró in 1923-24 as he moved toward his distinctive style.

The retrospective, which is to run until Aug. 30, comprises only 180 of Miró's estimated 2,600 paintings, but these include the works that best illustrate his passage through post-Impressionism, Cubism and Surrealism until he developed his distinct form of abstract painting.

While the retrospective includes many paintings donated by the artist or his widow to the Miró Foundation, Malet said the foundation's most important contribution to the exhibition was perhaps the 300 drawings and sketches from its 5,000-strong collection of what it calls the "Miró Papers."

In Barcelona, though, both City Hall and the Catalan government have organized a much wider program, including an exhibition at the Palace of the Virreina called "Miró Ceramicist," which shows 86 pieces of ceramics — figures, vases and plates — created by Miró between 1944 and 1977 with the Catalan potter Josep Llorens Artigas.

In Seville, Works Dalí Kept for Himself

SEVILLE — "Dalí's Dalis," the collection of his works that the late Salvador Dalí kept for himself, is being exhibited in Seville. It is the first time they have been shown outside his home town of Figueras.

The exhibition, at the FOCUS Foundation until July 4, includes 45 paintings and 30 drawings spanning virtually Dalí's entire life, starting with a landscape painted when he was 15 in 1919, and including several paintings of his family, such as a beautiful portrait of his sister, Ana María.

The style modulates from near-Impressionism to Cubism — as exemplified by Dalí's "Homage to Eric Satie" — to the familiar Surrealism.

Travels and Courtship How Balzac Wooded Russian Countess

By Michael Gibson

PARIS — Traveling to Russia in the mid-19th century was no easy matter, as the novelist Honoré de Balzac discovered when he requested a visa to visit St. Petersburg in 1843.



In Paris show, a portrait of Countess Evetina Hanska.

An excellent 160-item exhibition at the Maison de Balzac documents the experience in detail, thanks to all manner of fascinating material made accessible by the opening up of Russian archives.

task Peter the Great set himself when he decided to raise a city in the marshes of the Neva. Perhaps the most revealing aspect of the Maison de Balzac's show is the material touching upon Balzac's dealings with the powers that be.

Custine had gone to Russia expecting to find evidence to support his views touching upon the excellence of autocratic rule. Instead he was dismayed by what he found and his book turned out to be a bitter condemnation of a government based on fear, servility and repression.

After his first journey to St. Petersburg, Balzac traveled to the Ukraine: once in 1847-1848, and a second time during the first four months of 1850. Both he and Countess Hanska wrote a number of letters to government officials, including one to Count A. S. Orlov, the powerful minister of police.

As soon as he had been informed of Custine's book (before it was published), Balzac distanced himself. He was well aware that any visible connection with Custine could be harmful to Hanska, who owned a large estate in the Ukraine.

On Balzac's third visit to Russia Hanska finally consented to marry him. But first they had to find a way around the law which deprived her of her property in Russia if she married a foreigner.

When he applied for a visa to travel to St. Petersburg in 1843, N. D. Kisselov, the Russian chargé d'affaires in Paris, sent a message to his chiefs suggesting that since Balzac was always notoriously short of funds, it might be worth suggesting that he write a refutation of Custine's book, but nothing came of it.

Balzac sailed to St. Petersburg, and in the elation of seeing Hanska again, was disposed to admire everything he saw. Yet his notes and letters were not always uncritical: the avenues of St. Petersburg are lifeless, he observed, and as for the people: "It's always the same walking sheepskin."

The drawings reveal an artist of great delicacy and sensitivity, unimpaired of the flamboyant publicity seeker that Dalí increasingly became in his later career.

Further letters were dispatched. Balzac wrote to General D. G. Bibikov, military governor of the Ukraine, who in turn wrote to Count K. V. Nesselrode, then minister of foreign affairs. The matter was submitted, once again, to the czar, who declared that no exceptions could be made. Finally, Hanska made all her property over to her daughter, but kept part of the revenue for herself.

After long and exhausting political and religious formalities, she and Balzac were married in March 1850 by a Roman Catholic priest in Berdichev. Balzac wrote glowing letters to his mother and to friends, stating that he had finally married the only woman he had ever loved.

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Contemporary Art Goes Into a Slump

NEW YORK—Things are changing as dramatically on the art scene as they are in the political arena. As contemporary art sales proceeded this week from Monday night through Wednesday afternoon, it became increasingly apparent that a shakeup of accepted ideas and aesthetic values is about to take place. This would not have been perceived three years ago when auction houses could sell anything they chose to merely by printing an

Souren Melikian

estimated price bracket and stating their assessment of the work in entries that read like lectures to a classroom. Now that outside buyers are more interested in art without precisely knowing why, the mind-control system doesn't work any more. Sotheby's was the first to be rudely made aware of this fact on Monday night when 37 of the 76 works of art offered fell dead. Sales added up to a modest \$9 million, leaving 47 percent of the total knockdown unsold.

Not without reason, collectors and dealers nearly all stressed how few works were really attractive. Those who own contemporary art are hardly tempted to sell at auction these days, and who would blame them? The likelihood is that they will get only a third or a quarter of what they would have received if they had sold in the market.

Sotheby's sale on Monday included a composition of blobs, scribbles, and stains done by Sam Francis in 1963. It was quite good within its own range and was up to \$288,500, more than the \$150,000 to \$200,000 estimate. But that cannot have greatly cheered the vendor. When previously sold at Sotheby's on Nov. 8, 1989, it had gracefully soared to \$990,000.

The dearth of significant goods for sale may account for Sotheby's biggest tactical mistake in its evening sale, including "Ten Paintings by Andy Warhol from the Collection of Frederick W. Hughes," plus two Warhols from other sources. To have 12 Warhols at one go was to take a big chance in any case. Making things worse, the 10 Warhols elicited no admiration from the cognoscenti, some wondering whether these were not discarded trials that had failed to meet with Warhol's approval. Only two found buyers. The fiasco had a dampening effect. It killed the two other Warhols that came later, including a self-portrait considered to be very good.

Dealers were furious at what they saw as a blunder damaging the market as a whole. Their ire was not soothed by some estimates that they considered to be unrealistically high. Such a contention certainly finds support in the two record prices achieved that



A bright spot: Bacon's 'Revolving Chair' study got \$1,212,500.

may ultimately give, highlights the limited of the creative act. A reassessment of Warhol's art may be under way. The Warhol misstep apart, it was striking to see how well the sale fared whenever anything held in high esteem by contemporary art admirers came up. Jackson Pollock's "Number 19, 1948," an abstract composition of swirling curves, became the star lot as it climbed to \$2,422,000. A bold and unusual composition done in 1980 by Jasper Johns solid for \$607,500 within the expected bracket. This is quite good for a painting that remained unsold at \$475,000 when last seen at a Sotheby's auction on Nov. 1, 1987.

For connoisseurs, there were some clever boys. Roy Lichtenstein's "White Brushstroke I" done in 1965 when he was coming into his own as a leader of the Pop movement is almost certainly one at \$728,500. Francis Bacon's "Study for a Portrait of a Revolving Chair" is probably another at \$1,212,500 — \$110,000 less than the low estimate. Bargain-hunting was definitely the mood. It was fascinating to observe Leslie Waddington, Britain's premier dealer in contemporary art who is beginning to spend again "with great caution." Waddington, who is Barry Flanagan's dealer, bought two bronzes by the artist, "Ball and Claw," a rabbit standing on its rear legs, for \$37,500 and

New Splendor in Venice

By Roderick Conway Morris

VENICE—The Correr Museum is not only one of Italy's finest art and historical collections, but enjoys one of its most splendid settings—the upper floors of two sides of St. Mark's Square. So splendid, in fact, that local politicians, among them the city's mayor and the former foreign minister, Gianni De Michelis, have been pressing to evict the museum to turn the rooms into government offices.

Despite the threat, Giandomenico Romanelli, the director of Venice's civic museums, has completed a major renovation of the museum, restoring its magnificent apartments, re-arranging the original collection and creating a new section with 250 additional exhibits. A monumental staircase leads up to the museum. Previously the entry to the collection was via a side corridor, but now the visitor is confronted with double doors thrown open to reveal a stunning, meticulously restored Empire ballroom, permanently open to the public for the first time. Its construction was decreed by Napoleon I after his conquest of the city in 1797, as part of his projected palace. It was, indeed, Napoleon's invasion of the republic that gave birth to the Correr legacy.

Teodoro Correr was a Venetian aristocrat born in 1750. He was already a collector before the fall of the republic. He was particularly fond of the 17th-century artist, Correr went against the tide and started buying. He bought thousands of things, often at incredibly low prices. And, though he wasn't always very discriminating, he did manage to buy things of enormous interest and artistic value.

When Correr died in 1830, he left all his property to the city. The collection has been built upon since with donations and acquisitions, but the core of it remains Correr's original bequest. The first floor of the museum is devoted to items of historical interest and illustrative pictures, while the second is a gallery of painting and sculpture from the 13th to the 17th centuries, which include important works by Carpaccio, all three Bellinis, Tura, Antonello, and Flemish pictures.

Correr had an unusually acute sense that with the overgrowth of the more-than-1,000-year-old republic the paraphernalia of its day-to-day culture was about to be irrevocably dispersed and lost.

He rescued many artifacts associated with the dogs, from examples of his distinctive horned berretta, to a stylish broad straw hat made for him by the nuns of San Zaccaria, and his mourning robe—not black, but bright scarlet to recall the blood of Christ. In another room is a beautifully and intricately crafted model of the Bucintoro, the doge's sumptuous state barge, and the few gilded panels, statuettes and decorative reliefs to survive when it was burned by the French to melt down the gold with which it was encrusted. The newly inaugurated suite of rooms displays a fascinating array of Venetian applied arts, from elegant glassware used by pharmacists, to an elaborate wig-dressing set, decorated with pictures by Giandomenico Tiepolo (found by Romanelli in a Rome antique market). The artifacts are cleverly brought to life by colorful contemporary paintings commissioned by the various trade guilds showing their members at work. The strangest products of all are the towering doge's worn by Renaissance Venetian women. Some were so tall that the wearer had to be supported on either side in order to walk. It was partly the presence of platform dogs that led to the dubbing of the Correr's most famous Carpaccio as "The Two Courtesses." The picture—in reality two eminently respectable, fashionably-dressed noblewomen—forms part of a special exhibition (upstairs, until May 25) of more than 20 paintings about to be returned to the main gallery after cleaning and conservation work.



A 1490-95 portrait at the Correr.

The most exciting revelation of this restoration program is that a Carpaccio bird-hunting scene on the lagoon, now in the Getty Museum in Malibu, California, is (as has been suggested) the top half of this Correr Carpaccio. The removal of grime and of later retouching has shown beyond doubt the pot on the balance made by the young woman matches perfectly with its continuation into the Malibu picture, and that the curvature of the warped wood on which the pictures are painted is also identical. So the top section might now be viewed, from the Correr point of view, as "the one that got away"—since by the time he bought the Carpaccio the hunting scene had been cut away and taken to Rome by Napoleon's uncle.

Roderick Conway Morris lives in Italy and writes for the The New York Times and the Spectator.

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MSFT	75.00	74.00	74.50	75.00	+0.50
ORCL	55.00	54.00	54.50	55.00	+0.50
GE	45.00	44.00	44.50	45.00	+0.50
GM	35.00	34.00	34.50	35.00	+0.50
AMZN	25.00	24.00	24.50	25.00	+0.50
GOOG	15.00	14.00	14.50	15.00	+0.50
MSFT	75.00	74.00	74.50	75.00	+0.50
ORCL	55.00	54.00	54.50	55.00	+0.50
GE	45.00	44.00	44.50	45.00	+0.50
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GOOG	15.00	14.00	14.50	15.00	+0.50

U.S. Reconsiders Options On Business-Tax Overhaul

By Steven Greenhouse
New York Times Service

WASHINGTON — With the proposed investment-tax credit in deep trouble in Congress, U.S. administration officials are considering several other options to spur the economy, including new tax breaks for small business and a smaller increase in the corporate income tax.

Another option under consideration, officials said on Thursday, would be to delay the proposed increases in personal and corporate income taxes so that they take effect Jan. 1, 1994, instead of being retroactive to this past Jan. 1.

Robert E. Rubin, assistant to President Bill Clinton for economic policy, said Thursday that in place of the investment tax credit, the White House was considering a proposal allowing companies to write off more of their investments in the year they make them.

A senior official said the administration was also considering whether to recommend increasing the 34 percent corporate income tax by one percentage point, rather than the two percentage-point increase it previously proposed.

Business executives have complained that raising the corporate income tax to 36 percent would hurt investment, and say that the smaller increase would tend to harm the economy less. Many economists and corporate executives say the administration's proposal to make the

income-tax increases effective this year has hurt consumer confidence and slowed spending.

But government officials insist that overall, their deficit-reduction plan, including the proposed tax increases, has increased confidence. They acknowledge that Americans might feel freer to spend if the tax increases were delayed.

Mr. Rubin said that if the investment tax credit were to die in Congress, the administration still wanted to use the money that would have financed it to spur businesses and economic growth. The administration estimates that the credit would cost a total of \$21 billion from 1994 to 1997.

Mr. Rubin, though, denied that the measure was dead and argued that it would be needed to give the economy a boost when the president's deficit-reduction plan kicks in.

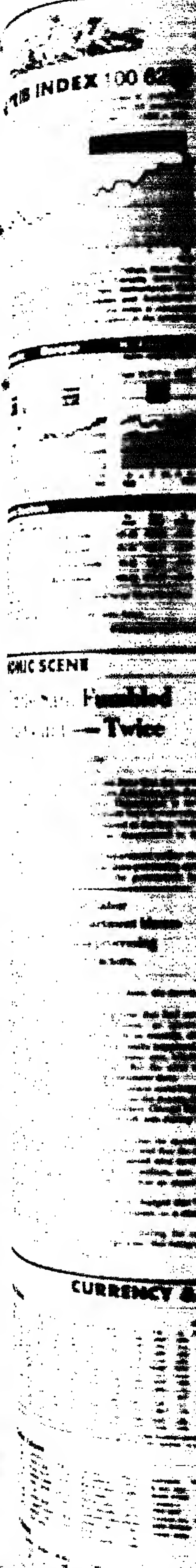
"We think there are very good productive uses for this money if the decision is made not to go with the investment tax credit," he said, adding he did not think that the money for it should be used for deficit reduction.

De Rostenkowski, chairman of the House Ways and Means Committee, and other prominent members of Congress have criticized the investment tax credit on the ground that it favored certain industries and that companies would start making business decisions simply to take advantage of it.

Symbol	High	Low	Open	Close	Change
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MSFT	75.00	74.00	74.50	75.00	+0.50
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MSFT	75.00	74.00	74.50	75.00	+0.50
ORCL	55.00	54.00	54.50	55.00	+0.50
GE	45.00	44.00	44.50	45.00	+0.50
GM	35.00	34.00	34.50	35.00	+0.50
AMZN	25.00	24.00	24.50	25.00	+0.50
GOOG	15.00	14.00	14.50	15.00	+0.50

Symbol	High	Low	Open	Close	Change
IBM	115.25	114.50	114.75	115.00	+0.25
MSFT	75.00	74.00	74.50	75.00	+0.50
ORCL	55.00	54.00	54.50	55.00	+0.50
GE	45.00	44.00	44.50	45.00	+0.50
GM	35.00	34.00	34.50	35.00	+0.50
AMZN	25.00	24.00	24.50	25.00	+0.50
GOOG	15.00	14.00	14.50	15.00	+0.50

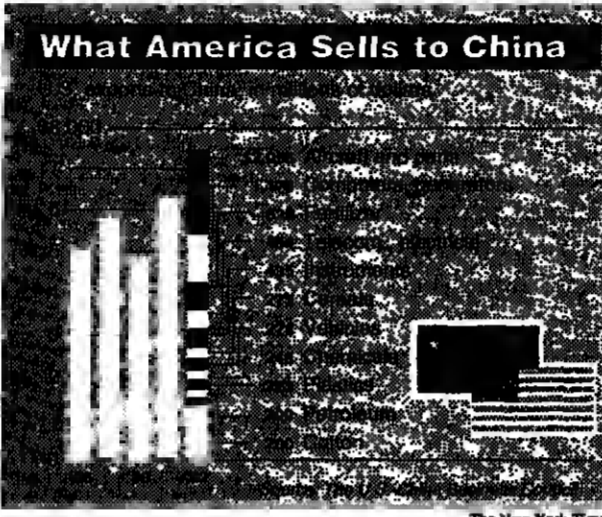


(Continued on page 9)

THE TRIB INDEX 100.62
International Herald Tribune World Stock Index...
Asia/Pacific, Europe, N. America
Industrial Sectors

U.S. Firms Join China Trade Fray
Lobbying Heats Up to Save Beijing's Favored Status

By Calvin Sims
New York Times Service
While the debate in Washington is focused on China's human-rights policies...



Michelin Adds More Job Cuts To French Woes

Compiled by Our Staff From Dispatches
PARIS — Michelin, the world's biggest tiremaker, said Friday it planned to cut 2,950 jobs in France this year...

Manila Casts Shadow Over Local Firms

By Kevin Murphy
International Herald Tribune
MANILA — It says it will remain a passive investor, but moves by the Philippine government to assert control over the boards of two local giants...

ECONOMIC SCENE

How Uncle Sam Fumbled The Job Count — Twice

NEW YORK — Having declared last June that the recent recession had eliminated more American jobs than anyone had realized, the Labor Department is now conceding that view...

Temp Jobs Led a Modest Rise In U.S. Employment for April

WASHINGTON — The U.S. unemployment rate held at 7 percent for the third month in a row in April as a modest number of jobs were created, mostly in business services and many of them temporary...

The Government of the Kingdom of Swaziland MINISTRY OF WORKS & CONSTRUCTION TENDER NOTICE

The Government of the Kingdom of Swaziland has received loans from the African Development Bank (ADB) and the African Development Fund (ADF) in various currencies towards the cost of the Transport Sector Project...

CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates. Includes exchange rates for various currencies and interest rates for different terms.

SGS Said Close To Chip Accord With Mitsubishi

PARIS — SGS-Thomson Microelectronics BV, the French-Italian chipmaker, and Mitsubishi Electric Corp. will soon sign an accord to cooperate in developing flash-memory chips...

Paris Stocks Slide 2.2% As Sales Dip

Bloomberg Business News
PARIS — French stocks dropped 2.2 percent Friday, with the plunge triggered by a series of poor first-quarter sales figures that gave investors the jitters, traders said...

Transport Sector Project - Construction of Sections I and II of the Mbabane - Manzini Highway.

Table with columns: ITEM, SECTION I, SECTION II. Lists construction materials and quantities for two sections of a highway project.

Vertical text on the right edge of the page, likely from another page or a scanning artifact.

MARKET DIARY

Bonds Lose Ground As Investors Balk

NEW YORK — Long-term bond prices slumped Friday as small investors signaled they would have little interest in the government auction of 30-year issues next week.

The bellwether 30-year bond fell 17/32, to 103 19/32. The fall raised its yield to 6.84 percent from 6.80

"British and German bond markets have broken down badly over the last two weeks, and yields in most of the major bond markets of the world have been moving up over the last two months. The global bond market may finally be affecting our bond market," he said.

European stocks also are declining. "At the same time, the Japanese market has been picking up." This could mean money has been moving to Japan from U.S. and European equities, "and also into stock markets like those of Canada and Australia, because they have resource economies that benefit from such factors as a pick-up in gold prices."

Royal Dutch/Shell was the most active issue on the New York Stock Exchange, falling 1/4 to 87 1/2. Analysts said investors' misgivings about its earnings, due next week, may reflect charges for restructuring the company's chemicals unit, analysts said.

Philip Morris followed, up 1/4 to 51. Analysts said investors' misgivings about its rival, RJR Nabisco, was letting expect a one-month discount on its inexpensive Monarch cigarettes. RJR, No. 3 on the active list, rose 1/4 to 54.

Analysts said the tobacco-price war is over premium brands, not the discount sector. (UPI, Bloomberg, Knight-Ridder, Reuters)

N.Y. Stocks

on Thursday. Short-term yields, however, edged lower. In the stock market, the Dow Jones industrial average fell 4.71 points, to 3,437.19. Falling New York Stock Exchange issues outnumbered gainers by a 9-to-8 ratio. The bond market's problems indicated small investors have turned wary. "People are uncertain about what is going on in Washington, and they don't want to be involved in bonds as long as the uncertainty remains," said Jay Singh, vice president of Sunco-BGK Securities.

April jobs data released Friday did not indicate much inflation, normally a good sign for bonds. John Murphy, who runs JIM Technical Advisors in Oyster Bay, New Jersey, said, "Whether U.S. bonds are not doing what the fundamentalists are doing, they're supposed to be doing. I've found that it's worth looking at the global markets."

Fears on Bosnia Rouse Dollar From Job Blues

NEW YORK — The dollar climbed Friday amid nervousness over the possibility of U.S. military involvement in Bosnia, recovering from earlier weakness after a neutral unemployment report for April. The U.S. currency fell to the day's low of 1.5690 Deutsche

marks after Labor Department data showed that nonfarm payrolls rose by a lower-than-expected 119,000 last month. But that support level soon proved impotent, and dealers said the dollar quickly rebounded as traders sold marks. The trigger for the rebound, they said, was the outlook for American military action in the Balkans.

The dollar finished the day at 1.5680 DM, after 1.5735, and at 110.375 yen, after 110.07. The pound tumbled to \$1.5695, from \$1.5810. Weighing on the currency was a defeat for the Conservatives in a key by-election that cut out her party's majority in the Commons to only 19 seats.

The U.S. unit ended at 1.4297 Swiss francs, after 1.4128, and at 3.380 French francs, after 3.5050. (Bloomberg, Reuters, Knight-Ridder)

Foreign Exchange

marks after Labor Department data showed that nonfarm payrolls rose by a lower-than-expected 119,000 last month. But that support level soon proved impotent, and dealers said the dollar quickly rebounded as traders sold marks. The trigger for the rebound, they said, was the outlook for American military action in the Balkans.



Table titled 'Dow Jones Averages' showing various market indices like NYSE, NASDAQ, and S&P 500 with their respective high, low, and close values.

Table titled 'NYSE Most Active' listing the top trading stocks on the New York Stock Exchange, including Royal Dutch/Shell, Philip Morris, and Johnson & Johnson.

Table titled 'NYSE Diary' providing a summary of market activity, including volume, high, low, and close for various indices.

Table titled 'NASDAQ Diary' providing a summary of market activity for the NASDAQ stock exchange.

Table titled 'AMEX Diary' providing a summary of market activity for the American Stock Exchange.

Table titled 'NASDAQ Diary' providing a summary of market activity for the NASDAQ stock exchange.

Table titled 'EUROPEAN FUTURES' showing prices for various European futures contracts, including DAX, CAC, and FTSE.

Table titled 'Food' showing prices for various food commodities like wheat, corn, and soybeans.

Table titled 'Metals' showing prices for various metal commodities like gold, silver, and copper.

Table titled 'Financial' showing prices for various financial instruments like Treasury bills and bonds.

Table titled 'Stock Indexes' showing prices for various stock market indices like the Dow Jones and S&P 500.

Table titled 'Dividends' showing dividend information for various stocks.

Table titled 'U.S. FUTURES' showing prices for various U.S. futures contracts like oil, grain, and metals.

Table titled 'Grains' showing prices for various grain commodities like wheat, corn, and soybeans.

Table titled 'Metals' showing prices for various metal commodities like gold, silver, and copper.

Table titled 'Livestock' showing prices for various livestock commodities like cattle and hogs.

Table titled 'Financial' showing prices for various financial instruments like Treasury bills and bonds.

Table titled 'Food' showing prices for various food commodities like wheat, corn, and soybeans.

Table titled 'Stock Indexes' showing prices for various stock market indices like the Dow Jones and S&P 500.

Table titled 'Commodity Indexes' showing prices for various commodity indices.

Table titled 'Stock Indexes' showing prices for various stock market indices like the Dow Jones and S&P 500.

Four Carriers, Three Hubs

STOCKHOLM — The four European airlines that are planning to merge operations would use a three-hub system for international flights, Jan Carlzon, chief executive of Scandinavian Airlines System said Friday.

The Swedish news agency TT quoted him as saying SAS, Swissair, Austrian Airlines and KLM Royal Dutch Airlines would primarily serve Japan and China from Copenhagen; the Americas from Amsterdam; and Africa, Southeast Asia and parts of South America from Zurich. Vietnam would handle some Middle East destinations and it, Stockholm and Oslo, the other capitals served by the four airlines, would feed traffic to the hubs.

SAS would retain direct routes to the United States from Stockholm, Mr. Carlzon said.

WORLD STOCK MARKETS

Large table titled 'WORLD STOCK MARKETS' showing stock market data for various international markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Singapore, Zurich, and others.

U.S. / AT THE CLOSE

Revlon Unit Cuts Loss to \$49 Million WASHINGTON (Bloomberg) — Revlon Consumer Products Corp. said Friday its net loss in the first quarter of 1993 had narrowed to \$49 million from \$180 million a year earlier, based on preliminary operating results.

The cosmetics company, part of Ronald O. Perleman's Revlon Group Inc., said in a filing with the Securities and Exchange Commission that revenue dropped to an estimated \$350 million from \$365 million. Revlon was hit by lower sales to Pharmacia Inc., which filed for bankruptcy protection.

During the first quarter, Revlon Consumer Products had operating income of \$2 million, after a year-earlier operating loss of \$149 million.

NL Industries Expects \$25-Million Loss DALLAS (Reuters) — Valhi Inc.'s chairman and chief executive, Harold C. Simmons, said Friday that he expected the company to post a loss in 1993 because of weakness at its affiliate NL Industries Inc.

The said soft chemical prices coupled with high interest expenses on debt would result in a loss of \$25 million to \$30 million in 1993 for NL Industries. He did not specify how large the loss would be for Valhi.

NL Industries will post pretax earnings of \$70 million to \$75 million, but that will be more than offset by \$100 million in interest charges, Mr. Simmons said. NL Industries' titanium-dioxide business is being hurt by weak prices in Europe, which may stabilize later this year, he said.

Carolco's Loss Narrowed Last Year LOS ANGELES (Combined Dispatches) — Carolco Pictures Inc. said Friday that it had lost \$96.9 million from continuing operations in 1992, narrowing substantially from \$217 million in 1991.

Revenue fell to \$365.3 million from \$601.1 million, because of a drop at the company's Live Entertainment unit. The financially troubled distributor of big-budget action films, including "Terminator" and "Total Recall," also said it had filed a revised reorganization plan that would alter the terms under which note-holders will be asked to exchange their securities for lower-yielding notes.

Carolco said as well that it had signed a new employment contract with its chairman, Mario F. Kasner, that runs through 1997.

Such investors as Pioneer LDC Inc., Le Studio Canal Plus, RCS Video International Services BV, Tele-Companys Inc. and Metro-Goldwyn-Mayer Inc. have announced investments totaling nearly \$300 million to help prop up Carolco.

FBI Raids Scorpion Technologies LOS GATOS, California (Bloomberg) — FBI agents raided the offices of Scorpion Technologies Inc. last week looking for evidence that the company reported questionable revenue, a bureau spokesman said Friday.

Scorpion shares have lost almost 44 percent of their value over the last five days. The stock was down 25 cents to 62.5 cents before trading was halted Friday.

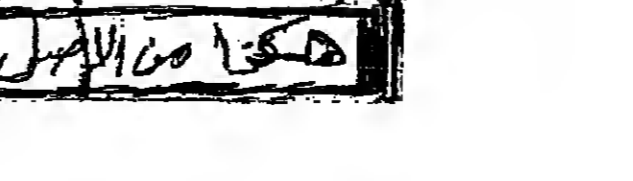
Scorpion is three weeks late in reporting its results for the fourth quarter, which ended Dec. 31, and has filed for an extension with the Securities and Exchange Commission, an SEC spokesman said. First-quarter results are due in a week, he said.

For the first nine months of 1992, Scorpion said its profit from continuing operations declined to \$43,033 from \$3.02 million a year earlier. Revenue rose to \$8.85 million from \$8.06 million, it said.

For the Record Amex Inc.'s European earnings took a significant drop in the first quarter, its president and chief operating officer, Paul Drack, said. He added that Amex Europe would have trouble matching last year's sales and earnings levels for the full year.

San Co., pursuing its strategy of shedding interests abroad, said it had sold its 5 percent stake in an oil field in Dubai to Total SA. (Bloomberg)

Raytheon Co. said India's supreme court had upheld the contract awarded to it by the national airports authority for the modernization of air traffic control systems at the Bombay and Delhi airports. It said the award had been challenged by Thomson-CSF of France.



Labor Peace Shatters In Sweden

Stockholm — Ten thousand Swedish electrical workers went on strike Friday and further industrial action was threatened as the recession took its toll on Sweden's traditionally harmonious labor relations.

The workers, striking over a wage claim, are employed by some of the biggest companies in Sweden.

Management at the companies threatened to lock out at least 20,000 workers but they did not give a deadline for their action.

The Swedish model, a pact between employers, workers and the state, has been seen internationally as an example of how to handle labor relations. But it is being severely strained as Sweden suffers its worst recession since World War II.

Industrial unrest spread this week as more than 1,000 workers at three preserved-foods companies in southern Sweden went on strike on Thursday in a dispute over wages and conditions.

On Monday, thousands of other union members will decide whether to ban overtime. The ban could involve around 400,000 engineering workers.

Strike's Small Effect on Big Firms

Berlin — The spreading strike in Eastern Germany will have little negative impact on most major companies operating there, analysts said on Friday.

They said the metalworkers' strike might actually provide welcome relief for sectors such as the German car industry, which has been plagued by overcapacity and whose output could shrink by about 20 percent this year.

Volkswagen shares have climbed 4.20 DM to 327.80 DM on the Frankfurt stock exchange this week.

"This strike is fantastic for the carmakers," said one analyst at a German bank. "They are celebrating in Wolfsburg" at Volkswagen AG's headquarters.

"They'll send Steinkühler a telegram saying 'stay tough and keep striking,'" the analyst said facetiously. Franz Steinkühler is chairman of the IG Metall union that called the strikes.

But IG Metall said Friday that workers at all six Volkswagen plants in Western Germany would stage protest actions next Wednesday.

The workers are striking over broken management promises to raise pay to West German levels by 1994. Under a 1991 agreement, East German wages were supposed to be raised by up to 26 percent starting April 1.

But employers, arguing that such an increase would be catastrophic in a relatively unproductive East German economy, tore up the contract and offered 9 percent instead.

Analysis said the walkout would have no perceptible impact on the group output, sales and earnings of corporate giants such as

France Aids Farmers As Tactic On Trade

Paris — Prime Minister Edouard Balladur said Friday that France would provide its farmers 1.5 billion francs (\$281.5 million) in subsidies this year as part of a strategy to unblock world trade talks.

He said France remained opposed to an agriculture accord between the European Community and the United States that would resolve a dispute over oilseeds, one of the key sticking points in the global negotiations.

But some observers said the information suggested France might be preparing to fight for the best international deal it could get for its farmers, with the government bearing some of the costs. There have been reports France was softening its stance on the oilseeds dispute.

The assistance is in addition to 400 million francs already allocated by the former Socialist government. It consists of credits and debt reduction for producers of sheep, fruit, vegetables, wine and flowers. Young farmers will receive a 20 percent boost in state aid. The aid does not concern oilseeds and grains.

Mr. Balladur said, "I want an end to this situation with our partners whereby France is seen as having a single concern, an obstructive concern, to prevent the conclusion of a trade agreement solely because of French farmers; that is not true."

He said France would submit proposals for progress in the stalled Uruguay Round of world trade talks under the auspices of the General Agreement on Tariffs and Trade. It will identify 15 problem areas, one of which is agriculture, apparently an attempt to shift the focus away from an area in which France is seen to be holding up progress. [Knight-Ridder, AFP, AP, AFX, Bloomberg]

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1800	2000	2100
1700	1900	2000
1600	1800	1900
1500	1700	1800
1400	1600	1700
1300	1500	1600
1200	1400	1500
1100	1300	1400
1000	1200	1300
900	1100	1200
800	1000	1100
700	900	1000
600	800	900
500	700	800
400	600	700
300	500	600
200	400	500
100	300	400
0	200	300
	100	200
	0	100

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	107.90	107.80	+0.09
Brussels	Stock Index	6,017.21	6,025.95	-0.15
Frankfurt	DAX	1,611.92	1,623.28	-0.70
Frankfurt	FAZ	639.25	641.81	-0.40
Helsinki	HEX	1,221.34	1,213.29	+0.66
London	Financial Times 30	2,189.50	2,188.00	+0.07
London	FTSE 100	2,793.70	2,786.30	+0.27
Madrid	General Index	241.30	242.80	-0.62
Milan	MIB	1,195.00	1,197.00	-0.17
Paris	CAC 40	1,879.57	1,920.49	-2.18
Stockholm	Affaersvaeriden	1,296.61	1,282.06	+1.13
Vienna	Stock Index	368.10	357.71	+0.11
Zurich	SBS	740.10	741.30	-0.16

More Walk Out in East Germany After Talks Collapse

Berlin — Strikes in Eastern Germany spread on Friday after metalworkers and employers meeting in Rostock failed to reach an agreement to end the five-day old dispute over broken management promises.

The IG Metall union said the industrial action had spread to two further plants in the southern state of Saxony, bringing the total number of idled steel and engineering plants in three East German states to 72.

A spokeswoman for IG Metall said that the number of striking union workers had risen to about 37,000 on Friday from 36,400.

Talks between engineering employers and IG Metall in the Baltic coast city of Rostock ended without result late on Thursday.

The strike in economically fragile Eastern Germany is the first legal work stoppage in the region in more than six decades.

There are 330,000 engineering and steel workers in Eastern Germany and about 10 times that number in the West.

Dieter Kirchner, head of the employers' association, said that because of the escalation in strikes the employers were considering retracting their earlier promises not to lock workers out.

Franz Steinkühler, IG Metall's chairman, said in an interview with the Frankfurter Allgemeine Zeitung newspaper on Friday that locking out workers would be a mistake. "Any one who locks out workers deserves to be locked up in jail," he said.

Employers have urged leaders of the union to return to the bargaining table, asserting that important progress was made during talks in Dresden that collapsed early on Wednesday.

If no settlement is reached by mid-May, the strike could spread to all five East German states.

Ex-Polly Peck Chief Says He Feared 'Unfair' Trial

Kyrenia, Cyprus — Ail Nadir, the Turkish-Cypriot tycoon who fled Britain this week to avoid theft charges, said Friday he had skipped bail so he could tell his side of the collapse of Polly Peck International PLC.

Speaking with reporters in Northern Cyprus, Mr. Nadir claimed that there had been "absolutely no possibility of getting a fair trial because of all the sludgegery."

He charged that the whole affair had been "cloaked in secrecy, either by threats of contempt of court or by hearings in camera and hearings in chambers."

On Tuesday, Mr. Nadir flew from Britain to the Republic of Northern Cyprus to avoid facing 13 theft charges related to the bankruptcy of Polly Peck in 1990.

Although Britain does not have an extradition treaty with Northern Cyprus, a republic it does not recognize, it stepped up the diplomatic pressure Friday to win the return of Mr. Nadir, summoning the Turkish ambassador to the Foreign Ministry.

British newspaper reports, meanwhile, said Mr. Nadir had been named in a police investigation into a plot to bribe a judge.

The police confirmed that a second investigation concerning Mr. Nadir, unrelated to his business collapse, had been undertaken, but declined to confirm reports that it involved a bribe fund put together in a Swiss bank by Mr. Nadir's supporters.

The Turkish ambassador to Britain, Candemir Onhon, was called in to meet with a senior Foreign Office minister, Tristan Gard-Jones. A spokesman said Mr. Gard-Jones gave the ambassador "a very strong message conveying our very urgent wish to see Mr. Nadir returned to British jurisdiction."

Mr. Onhon, while saying that he would deliver the message to his government, said that there was not much Ankara could do. He noted that Mr. Nadir was "not in Turkey" and was therefore "not the responsibility of the Turkish government."

Mr. Nadir was arrested in 1990 and charged with theft and false accounting after his company collapsed with debts totaling £1.3 billion (\$2 billion).

Trading Lifts Commerzbank

Bremen, Germany — Commerzbank AG said Friday that strong profit from trading in foreign currencies and securities for its own account boosted its group operating profit by 25.2 percent in the first quarter of 1993.

In a statement at the annual shareholders' meeting, Commerzbank said operating earnings jumped to 651 million Deutsche marks (\$413.7 million).

Partial operating profit, which does not include own-account trading and focuses on lending and commissions, rose 2.6 percent from a year earlier, to 468 million DM.

Commerzbank also said it incurred losses of 200 million DM linked to loans to the collapsed Danish insurance group Hafnia Holding A/S, but that these had been provisioned for in 1992.

(Reuters, Bloomberg)

Banks Seek More Control of Cofir

Madrid — Banco Bilbao Vizcaya SA and Banco Zaragozano SA have proposed an extraordinary meeting of Corporacion Financiera Remuda SA, or Cofir, shareholders in order to propose a reduction of capital and board changes, the bourse commission said on Friday.

Market sources said the move was an attempt to take control of Cofir from Carlo De Benedetti, the Italian businessman, who owns 42 percent.

One company source said Cofir had liquidity of 18 billion pesetas (\$155 million), which is "sitting idle" because of board problems since the beginning of the year.

In a letter to the bourse commission, BBV and Zaragozano, which jointly hold 30 percent of Cofir, said they would propose that capital be reduced by 11,559 billion pesetas to 34,675 billion, so that they can extract value.

They have also called for the replacement of Gabriel Burgo as chief executive and for measures to ensure that the number of board members that shareholders may appoint better reflects the per-

Very briefly:

- Ireland is cutting two key interest rates, effective Monday. The Bank of Ireland is reducing to 8.50 percent from 8.75 percent the short-term rate it charges on loans to commercial banks, and it will cut its overnight deposit rate to 5.25 percent from 5.50 percent.
- Klöckner & Co., a unit of VIAG AG, said it swung to a group net loss of 56.5 million Deutsche marks (\$36 million) in 1992, from a net profit of 73.9 million DM a year earlier. Sales were steady at 10.6 billion DM.
- Banco Español de Crédito-Banesto SA has decided to omit its final 1992 dividend and seek poor prospects for payments in the next five years, according to internal documents cited by Cinco Dias newspaper.
- Italian car sales plunged 28.6 percent in April, to 174,740 cars.
- Italy had a trade surplus with European Community countries totaling 1.55 billion lire (\$1.1 million) in the first two months of the year, compared with a 2.95 billion deficit in the year-earlier period.
- Hoechst AG's Australian unit, Leighton Holdings, said it would sell 20 percent of its Asian business to Hoechst to raise funds.
- Krauss Maffei AG, the defense and engineering unit of Mannesman AG, said its sales increased 13 percent in 1992 to 1.60 billion DM due to a strong expansion of its plastics-technology division.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Div	Yld PE	% Chg	High	Low	Open	Close
100	100				100	100	100	100
150	150				150	150	150	150
200	200				200	200	200	200
250	250				250	250	250	250
300	300				300	300	300	300
350	350				350	350	350	350
400	400				400	400	400	400
450	450				450	450	450	450
500	500				500	500	500	500
550	550				550	550	550	550
600	600				600	600	600	600
650	650				650	650	650	650
700	700				700	700	700	700
750	750				750	750	750	750
800	800				800	800	800	800
850	850				850	850	850	850
900	900				900	900	900	900
950	950				950	950	950	950
1000	1000				1000	1000	1000	1000

NYSE Friday's Closing

Tables include the national price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Stock Name, Div, Yld, PE, 52 High, Low, Volume, etc. Includes stocks like IBM, Microsoft, and various international funds.

Table with columns: 12 Month High, Low, Stock Name, Div, Yld, PE, 52 High, Low, Volume, etc. Includes stocks like AT&T, General Electric, and various international funds.

Table with columns: 12 Month High, Low, Stock Name, Div, Yld, PE, 52 High, Low, Volume, etc. Includes stocks like Johnson & Johnson, Merck, and various international funds.

Table with columns: 12 Month High, Low, Stock Name, Div, Yld, PE, 52 High, Low, Volume, etc. Includes stocks like American Express, Coca-Cola, and various international funds.

Table with columns: 12 Month High, Low, Stock Name, Div, Yld, PE, 52 High, Low, Volume, etc. Includes stocks like DuPont, Eastman Kodak, and various international funds.

Table with columns: 12 Month High, Low, Stock Name, Div, Yld, PE, 52 High, Low, Volume, etc. Includes stocks like Pfizer, Amgen, and various international funds.

AS - Austria; AU - Australia; BE - Belgium; BR - Brazil; CA - Canada; CH - Switzerland; DK - Denmark; EC - European Currency Unit; FR - France; GB - Great Britain; GR - Greece; HK - Hong Kong; I - Italy; J - Japan; L - Luxembourg; NL - Netherlands; NZ - New Zealand; P - Portugal; S - Spain; SF - Switzerland; SFR - South Africa; SW - Sweden; T - Taiwan; U - United States; UK - United Kingdom; Y - Yen; Z - Zimbabwe.

For information on how to list your fund, fax Simon & Schuster at 212-850-6000.

INTERNATIONAL FUNDS

May 7, 1993

Quotations supplied by funds listed. Net asset value quotations are supplied by the funds listed with the exception of some quoted based on issue prices.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regular; (M) - twice weekly; (M) - monthly.

Table listing various international funds such as DARTER HENTSCH GROUP, DARTER HENTSCH GROUP, DARTER HENTSCH GROUP, etc. with columns for fund name, share price, and other details.

NYSE High-Lows

Table listing high and low prices for various NYSE stocks, including columns for stock name, high price, and low price.

Advertisement for SIMON & SCHUSTER, featuring the company logo and contact information for listing funds.

Western Luxury Items Shine in Japan
Strong Yen Lifts Sales at Tiffany, Cross and Louis Vuitton

TOKYO — From Tiffany jewelry and Cross pens to Louis Vuitton bags, a whole range of Western status symbols is getting cheaper in Japan as the mighty yen gets stronger and stronger. It is an economist's dream, too, with theory fitting effectively into fact. The theory goes like this: As fewer yen buy more dollars, they also buy more dollar-denominated goods. So imports can lower prices, encouraging Japanese consumers to buy more Western goods.

Tiffany has cut the price of its classy jewelry. Cross of its gold pens and Louis Vuitton of its bags and luggage, all by about one-fifth. A Tiffany spokeswoman said Friday that Tiffany & Co. Japan, a unit of Tiffany & Co. in New York, would cut prices on 350 items of jewelry by an average 19 percent starting May 15.

Its medium-sized 18-carat gold "open heart pendant," a favorite in Japan, will sell for 157,000 yen (\$1,425), down from 190,000 yen. "We have always paid attention to the needs of the local market and changing economic conditions," the spokeswoman said. "Tiffany has been active in trying to eliminate the price gap that exists between goods sold in Japan and the U.S."

Hutchison May Need More Capital Later

HONG KONG — Hutchison Whampoa Ltd.'s share placement on Thursday to raise 4.48 billion Hong Kong dollars (\$580 million) was much smaller than expected, and the company may need another issue next year to finance its China expansion, analysts said. The local market had been expecting Hutchison to make a placement of between 7 billion and 10 billion dollars, analysts said.

Investor's Asia table with columns for Hong Kong, Singapore, Tokyo, and various stock indices and exchange rates.

TRADE: U.S. Firms Join Fray Over Favored Status

(Continued from first finance page) added, "he will be doing the exact opposite of what he promised. We will lose orders and people will lose jobs." Many business leaders say that using trade privileges to address human rights and arms proliferation will do little to persuade the Chinese to make changes.

Richard A. Brocher, director of business advisory services for the United States-China Business Council, said, "American companies are working the China trade issue more aggressively than ever before because the commercial stakes are so much higher this year."

MANILA: Government Casts Shadow Over Firms

(Continued from first finance page) up to 800,000 people are waiting to be connected to a creaking system that has been called a national embarrassment. San Miguel, steered by Andres Soriano 3d, has expanded internationally and managed strong growth in recent years.

PLDT shares lagging behind the Philippine stock market's recent bull run. The Ramos government recently threw its weight behind the creation of a hybrid company, Newco, designed to introduce competition and help clear the phone request backlog.

AMEX Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

AMEX Friday's Closing table with columns for 12 Month High/Low, Div, Yld, PE, and various stock symbols and prices.

Table with columns for 12 Month High/Low, Div, Yld, PE, and various stock symbols and prices.

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FIRST COLUMN

Culture Gap Narrows for Investors

THE great divide in investment philosophies is well known: There are those who invest for profit, and there are those who invest for power. Until the last year or two it was fairly clear who was on which side of the fence. The Americans and the British were prominent among the profit cultures; the Japanese, the Germans and the French were notable for their preference for power — alias market share — first, profit later.

But the picture has become a little muddied in recent years. Nor is it becoming any clearer, as the profit cultures take on board social and other considerations, and the power hawks and planners pay more attention to immediate profitability.

A good example of the move away from the profit motive is the shareholder action movement in the United States. More and more corporate shareholders are exercising their voting rights with regard to a company's impact on the environment, or the perceived moral quality of the business it does. Shareholder action is a big and growing thing in the United States, and it is beginning to worry some managers who pine for the days when all they had to do was produce a good set of year-end figures.

Bizarrely enough, although conscientious shareholders have been around for years, the genesis of this movement's popularity was pure profit. When investors began to group together and demand better returns, they were impressed by management's receptivity to their demands.

Conversely, in France and Japan, investors are beginning to look toward the short term. Troubled by the fall in share values, Japanese investors are less patient than ever before with the tiny dividend returns they see on shares. Foreign institutional investors, notably fund managers, have been complaining for years about this. Now they are beginning to be heard.

Meanwhile, in France, something similar has been happening. The new government, despite its rightist complexion, has asked a leading market regulator to look into the possibility of paying increased dividends to long-term investors. A few years ago, inducements to stay in for the long haul would not, have been necessary.

M.B.

So, Why Worry About Inflation?

By Tom Redburn

ECONOMIC gloom is in the air. The global economy is stagnant as unemployment rises almost everywhere in the industrial world. Even those countries showing signs of improvement — most notably the United States and Britain — are still stumbling and performing far below par. Consumer and producer prices are under control in nearly all major nations. And although there has been a recent hump in the prices of several basic commodities, such important leading indicators as copper are stuck in the cellar. So, why start worrying about inflation?

Maybe because not many other people are. In the United States, for example, a recent survey of economists for the Blue Chip forecast produced a consensus forecast of 3.3 percent inflation in 1993. The bond market, after a strong rally, is quiescent and price increases are expected to remain moderate for at least the next couple of years. And despite a brief flurry of inflation jitters earlier this year, investment managers almost universally dismiss such concerns as overblown.

But what if they are wrong?

Consider, for instance, the views of John Mueller, vice president and chief economist at the firm of Lehman Bell Mueller Cannon, a consulting firm based in a Washington suburb. "We're in the lull between two waves of commodity inflation," says Mr. Mueller. "Despite a general trend in the past decade of secular disinflation, in which each peak has been lower than the last one, we still see a cyclical acceleration in the inflation rate getting under way later this year."

LBMC, which bases its forecasts on up-and-downs in what it calls the "world dollar base," a measure of the creation of U.S. dollars both in the United States and by foreign central banks, has had a particularly good record in recent years in predicting economic turning points.

Under Mr. Mueller's scenario, general commodity inflation, measured in dollars, is expected to rise from a rate of about 3 percent today to at least 5 percent within the next two or three years. That may not sound like much, compared to the era of double-digit inflation in the 1970s, but it could easily be enough to pull the props out from under the U.S. bond market by next year. The central reason for the rise is the relatively easy money policies being pursued by most central banks as they struggle to pull the advanced industrial world out of its economic doldrums.

Moreover, even though LBMC expects robust corporate profits based on economic

growth in excess of consensus forecasts, it believes the U.S. stock market is on its last legs and will be vulnerable to at least a modest downturn later this year.

Gold, the traditional inflation hedge, has been in the spotlight after George Soros stepped into the market. But Mr. Mueller thinks copper futures, which have been unusually depressed, are by far the best bet for a strong rally. He also sees some opportunities in selected European and U.S. real estate markets and in energy stocks.

RESTING on top of the effort to apply a monetarist-oriented approach to the global economy that underlies Mr. Mueller's analysis is a more specific fear among some hard-nosed money managers. They worry that President Bill Clinton's tax-heavy domestic activism and temptation to try to "cure" the U.S. trade deficit with currency depreciation will only exacerbate any inflationary tendencies that may emerge over the next few years.

"The political feud over a piddling \$16 billion in stimulus has diverted investor attention from the truly significant developments on the inflation front," says John Rutledge, a money manager and economic consultant based in Greenwich, Connecticut.

Mr. Rutledge, in addition to citing the advance of commodity prices as a warning flag, also is particularly worried about the White House's approach to the federal budget over the next few years. His analysis is in sharp contrast to most analysts, who see Mr. Clinton's plan as a serious attack on the deficit. The consensus view foresees, in the best case, a sharp reduction in borrowing leading to lower interest rates, or, at the worst, a slowdown in growth as fiscal drag digs in its heels. Either outcome should be good for bonds.

Mr. Rutledge, however, disagrees with the basic premise. The White House, he argues, is planning to boost spending significantly, while relying on some shaky assumptions about how much revenue its tax increases will collect. At the same time, its tax hikes will undermine incentives for creating wealth. "History shows that the government is more adept at spending money than collecting it. Look for a higher, not lower, deficit if the Clinton package passes Congress."

Like many other economists, he also fears the inflationary impact of the White House's potential trade policy, worrying that both the hawkish and dovish factions within the administration will end up uniting behind a strategy to resume the effort to drive down the dollar against the Japanese yen in a futile attempt to balance trade accounts.

"We have no confidence in this on-off rally in bonds, and suggest taking advantage of the euphoria in the fixed-income sector," Mr. Rutledge writes in the Rutledge & Co. newsletter, *The Portfolio Monitor*. "Clients who trade actively should take profit on existing positions of 30-year bonds and move into the intermediate maturities. Five- to seven-year notes are most attractive."

Still, mainstream analysts remain largely unworried about inflation. Indeed, given the recession in Continental Europe, disappointing gains in the United States, uncertainty about the prospects for Japan and overcapacity in many global industries, the greater fear today is that a round of deflation is still ahead.

A. Gary Shilling, an investment adviser in Springfield, New Jersey, was an early proponent of the view that the 1980s would be an era of unwinding inflation. He sees more of the same for the 1990s.

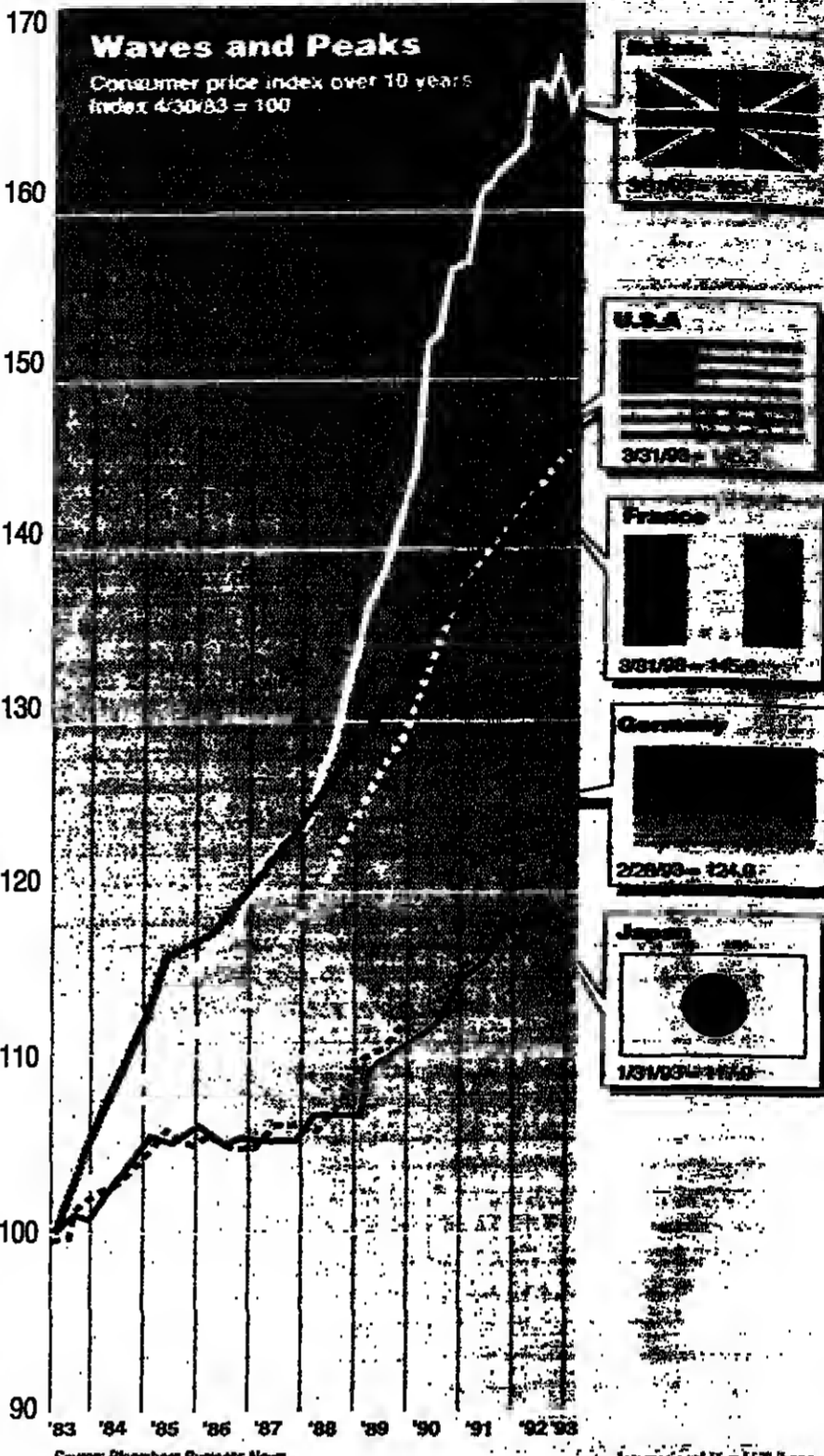
"With universal zeal for productivity, especially aimed at eliminating labor costs, deflation and lower interest rates are in store," Mr. Shilling says. "Expect lower, not higher, inflation and hang on to your bonds."

What if you want to protect yourself against both possibilities: inflation or deflation? That may not be easy, but there are some potential investments that should perform well regardless. Both sides in the debate, for example, generally see greater opportunities outside the United States than inside it. But dollar investors who, along with the consensus, expect the greenback to rise should hedge, while those who think government policy will contribute to further weakness may want to take a chance on an extra kick.

AMONG commodities, natural gas, which has already enjoyed a boom so far this year, is popular in both camps. Some who foresee industrial commodity weakness nonetheless expect gas stocks and futures to buck the trend. Analysts who predict wider commodity inflation think all energy prices are likely to rise further, with gas receiving an extra fillip from colder weather and environmental concerns.

So, whether you are worried or not about inflation, recognize that at least a serious debate is under way about its potential. That alone should raise some cautionary signals.

"Once inflation is apparent to everyone," Tom Donbeck, an investment manager at Northwestern Mutual Insurance, told a recent conference sponsored by Grant's Interest Rate Observer, "there is little the investor can do."



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MONETARY STABILITY IN EUROPE - VISIONS OR ILLUSIONS?
Otmar Issing, Member of the Board, Deutsche Bundesbank, and Member of the Central Bank Council, Frankfurt

THE POLITICAL DIMENSION
Dangers and Opportunities in The World Disorder
Anthony Sampson, Journalist and International Writer

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Nicholas Knight, Head of Global Equity Strategy, Nomura, London
Ranjan Pal, Director and Regional Economist, Jardines Fleming Broking Ltd., Hong Kong
Henry Thornton, Investment Director, Credit Lyonnais International Asset Management, Hong Kong
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THE MONEY REPORT

Swiss Banking Keeps Its Aura

By Philip Crawford

LIKE a venerable boxing champion whose skills show signs of fading, the Swiss banking industry has endured whispers over the past few years that its glory days are a thing of the past.

Most such talk has proclaimed offshore centers such as Luxembourg, Jersey and Guernsey as the new champions of the elite banking hill, by virtue of their powerful combination of attractions: no taxes for nonresident investors and airtight confidentiality laws. Banking secrecy in Switzerland, by contrast, has slipped somewhat, according to industry insiders.

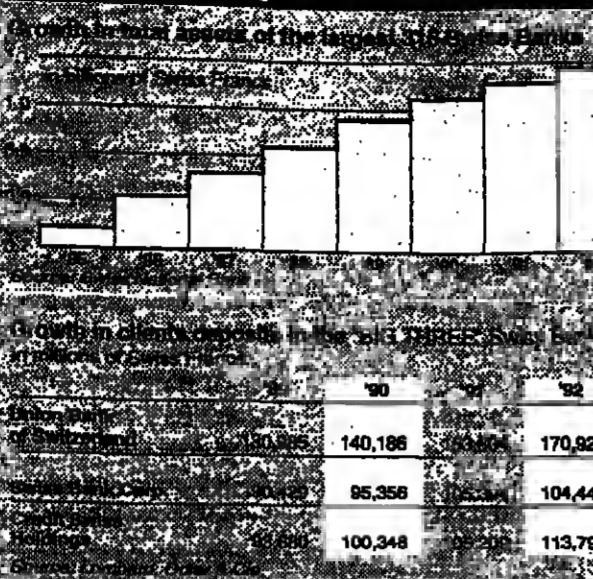
But many analysts say that Switzerland still has plenty of life remaining as a global banking power. The Swiss virtually invented the concept of private banking, and that expertise has not disappeared, quote some pundits. Moreover, shares of the "big three" Swiss banks — Union Bank of Switzerland, Swiss Bank Corporation, and Credit Suisse Holding — are being cited by many analysts as good buys for investors.

At the top of the mountain is Union Bank of Switzerland, whose 1992 pretax profits grew nearly 16 percent to 1.92 billion Swiss francs (\$1.37 billion), the strongest performance of the major Swiss banks. The generally lukewarm global business climate in 1992 makes UBS's showing that much more impressive, say some experts. Moreover, the bank last week announced that all of its subsidiaries posted earnings increases during the first quarter of 1993.

With 390 branches in Switzerland and 30 international bureaus, UBS is also the Swiss domestic leader in savings deposits, lending, and fund management, although Credit Suisse's recent acquisition of Swiss Volksbank could eventually give that new power the ways and means to challenge UBS's dominance.

Serge Ledermann, head of Swiss research at the Geneva-based private banking firm Lombard, Odier & Cie, said he estimates 1993 profit growth at UBS to be fully 20 percent. "When you look at the strength of UBS's global portfolio," he said, "it is clear that it's alongside Deutsche Bank as the best of the international bank stocks. In Switzerland, it's the best stock in the sector. And despite how well UBS shares have per-

Still Banking On Switzerland



International Herald Tribune

formed in the recent past, we don't feel they have exhausted their growth potential. We rate the shares a buy."

A recent report published by Lombard Odier entitled "Steady As She Goes — The Major Swiss Banks on the Move Again," notes that UBS's trading income in 1992 grew by 32 percent to 1.6 billion francs. Moreover, more than a third of the bank's 1992 pretax profit growth was derived from operations outside Switzerland. Those aspects of the bank's income statement bode well for continued earnings growth, add other analysts.

"UBS is generally considered a very high-quality stock," said Bryan Crossley, who covers Swiss banks for Hoare Govett in London. "And we foresee substantial improvement in its underlying profitability. We have a 'buy' recommendation on the shares." Derek Bullman, a banking analyst at James Capel & Co. in London, echoed the positive outlook on UBS shares.

Such smooth sailing has not been the case for Swiss Bank Corporation, whose 1992 results fell below market expectations. The bank's consolidated net profit fell more than 2 percent to about 1 billion francs last year, despite a cash infusion of over 250 million francs from the sale of Steiermärkische Elektrizitätsgesellschaft, an Austrian utility. Moreover, provisions were up 32 percent to 1.9 billion francs, a malady that many blame on the

generally weak European business climate.

But experts see SBC as ripe for a recovery of sorts. "Of the big three banks, SBC was the most exposed to the market downturns of the late '80s and early '90s," said Mr. Ledermann. "It was heavily involved, for example, with [late industrialist Robert] Maxwell, and with Swiss real estate tycoons who went bankrupt. But I think most of its serious problems are in the past. There may even be more potential for growth in SBC than in UBS."

Mr. Bullman, concurring that SBC has felt the impact of bad loans it made during the '80s, agreed that the bank's shares are worth buying. "SBC is still carrying some bad debts," he said, "but the market is looking to when those debts will be paid off. SBC is also the most attractively priced of the big three." SBC better shares were trading at around 345 francs this week.

Credit Suisse Holding, whose acquisition early this year of the troubled Swiss Volksbank may give it the sheer size to eventually rival UBS's supremacy, is getting somewhat mixed reviews from analysts. On one side, there is the camp that feels that the digestion of Swiss Volksbank will be a difficult one, and that the merged entity will not be profitable before one or two years at best.

"Integrating such a large company, particularly one which was in such poor shape, will not be an easy task for Credit Suisse," said Mr.

Ledermann. "The acquisition will weigh heavily on the 1993 and 1994 accounts of the whole group. Although we're not negative on Credit Suisse, we are neutral on the shares for the time being."

Mr. Ledermann added that CS Holding, with its considerable activities in areas such as insurance and electric utilities, is less of a pure banking stock than the other Swiss majors. That characteristic, he said, is a factor in Lombard Odier's reticence on the company's shares vis-à-vis those of UBS and SBC, the twin pillars of the generally thriving "pure-play" banking sector in Switzerland.

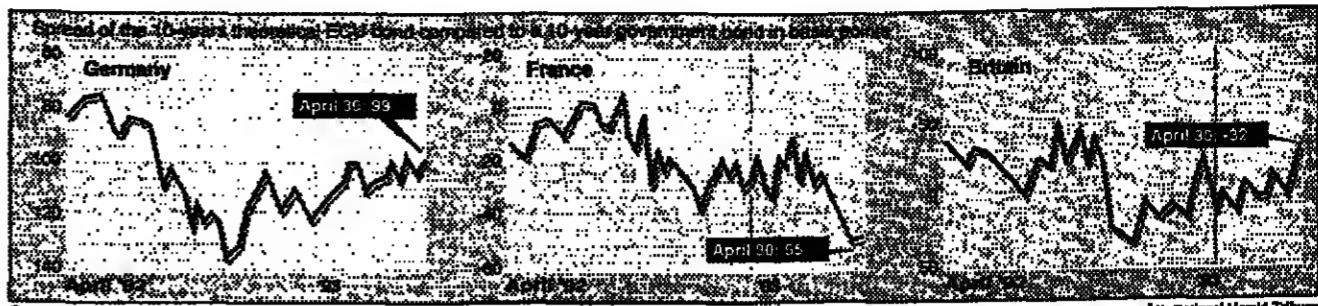
Mr. Crossley, however, sees CS Holding's takeover of Swiss Volksbank as more nourishing than upsetting. "I don't think the acquisition looks overly demanding," he said. "I have a 'buy' recommendation on the shares. For one thing, the takeover will be important in balancing Credit Suisse's inherently volatile trading activities, which seem to have mattered most to the company, with simple, good-quality retail banking. If there's any dilution at all, it will not be significant, and there are substantial benefits down the road."

CS Holding's 1992 results, released last week, were auspicious. The company reported a net profit of 1.03 billion francs, up about 5 percent from a year earlier. Perhaps even more pleasing, experts add, was the reported figure of a 21 percent increase in cash flow, to slightly under 3 billion francs.

Mr. Bullman of James Capel & Co. also saw more benefits stemming from the acquisition than disadvantages. "It's a better deal now than it looked like when it first happened," he said. "And two or three years down the road it should look very good indeed. I think CS Holding shares are more of a 'buy than a hold.'"

While acknowledging that political pressure has weakened Swiss banking secrecy somewhat, and that offshore centers may have benefited as a result, many analysts maintain that Swiss banking, as an industry, is alive, well, and still gaining momentum. Indeed, overall growth statistics back up that view.

"Secrecy may not be as tight as it once was," said Mr. Crossley, "but that's not an issue for the vast majority of clients. Swiss banking continues to have a certain franchise effect. It has an aura that is internationally respected."



Bonds, Bunds and the Power of the Danes

By Conrad de Aenle

A CRITICAL vote in Denmark on the Maastricht treaty mandating a closer economic and monetary ties within the European Community is less than two weeks away, and yields on bonds denominated in European Currency Units are falling, as are their spreads over the yields of German government bonds, known as Bunds.

Sounded familiar? The same thing happened almost exactly a year ago. Then the Danes narrowly rejected the Treaty on European Union, and yields shot up half a point in a couple of months. The spread over German Bunds rose by three-quarters of a point.

The prevailing view among analysts who follow Ecu bonds is that holders have less in fear if the Danes vote no again, which seems unlikely. That said, many of them are not crazy about Ecu bonds, either, and prefer choosing issues denominated in conventional currencies to get exposure to European bond markets.

"The market is not really subject to quite the same shocks as last year," said one fixed-income analyst at a London investment bank, explaining the renewed bravery among Ecu bond traders ahead of the May 18 Danish vote. "People didn't know what an Ecu bond was. They wanted to get paid in a sensible currency, not some fictitious paper." If the Danes vote no, the market "probably will take spreads out wider, but it won't be the big shock it was last year."

But Neil Williams, senior economist at Daiwa Institute of Research, sees plenty of doubts hanging over the market, even if the vote comes out yes.

"Short term, we're still quite bullish on Ecu bonds, but longer term, there are questions," he said. After Denmark, Britain has its opportunity to scuttle the treaty, and whether it does or does not, the process will be a long and tedious one. "I believe that debate will continue through most of this year," resulting in a widening of the spread over Bunds, Mr. Williams said. But for the moment, the spread is "narrowing happily" ahead of the Danish referendum. "After the referendum is a time for profit taking," he advised.

The spread of the 10-year theoretical Ecu bond over German Bunds of the same maturity was 91 basis points on Friday. Spreads over German yields have come down for two reasons, Tim Lund, a senior bond analyst at Credit Suisse First Boston, believes. "The easy answer is tensions within the European exchange rate mechanism are narrowing," he said. "For that reason, spreads across Europe are narrowing, and the Ecu is a natural beneficiary of that."

Danish interest rates have fallen relative to most in anticipation of a yes vote, notes Adrian James of County NatWest Wood Mackenzie.

and French rates have come down on an easing in credit policy since a conservative coalition took control of the National Assembly in March. Their weightings have brought down the yields of Ecu bonds.

But there is more to it than that. Mr. Lund explained: "Ecu bonds in the past have had a life of their own, as opposed to a life as a basket of currencies. Some of the recovery in Ecu bonds has gone beyond what you would predict merely from a comparison of their basket composition."

Based on the component parts, the spread between the 10-year theoretical Ecu bond and a 10-year Bund should be 100 to 105 basis points, he said, and so Ecu bonds are "a little bit expensive, compared with what they should be."

Making that determination is a tricky proposition. By one bank's reckoning, the theoretical 10-year bond was recently trading at 78 basis points above 10-year Bunds, a brokerage pegged the spread at 84, and Bloomberg Business News said it was 91, all at virtually the same hour.

The variation comes in selecting the benchmark bonds from each of the 12 European Community member states and then getting the weightings right. The weightings are constantly changing and depend on currency fluctuations and ultimately on the size of the 12 economies.

"The theoretical values differ depending on how they're calculated," said Mr. James of County NatWest. "You have to choose a 10-year bond in each market, and sometimes there isn't one. Even in markets where you can get them, you have to choose a [particular] bond."

What an Ecu bond will be worth in the future depends to a great extent on whether European monetary union happens, he remarked. There will be serious doubts that it ever will if the Danes again vote no. Indeed, Prime Minister John Major of Britain said a negative vote in Denmark would kill the ratification process in his country. That's why Mr. James is not keen on Ecu bonds.

"At the moment it's fairly dangerous with the referendum coming up," he said. "I wouldn't recommend buying them." Even with a Danish yes, "we're not going to see EMU in the next five years." He added, "To buy Ecu bonds on the hope that EMU will be faster than that would be a bit misguided. That would argue against buying Ecu bonds out five years."

The bonds might become a better buy at longer maturities if monetary union is accomplished and holders are repaid in an Ecu that has become the genuine coin of the realm.

"Long rates should have converged, so you should theoretically be getting Deutsche marks," but at a higher yield, he said. But that would only hold true, he explained, if there were no appreciable steepening of the yield curve. If rates on longer maturities went up considerably, the benefits of a single currency could be wiped away.

The analysis as a group says Europe's bond markets are likely to maintain the advance that began last summer because of the dim prospects for the Continental economy. Daiwa is forecasting no real

growth for the European Community as a whole this year, as Germany drags down everyone else, compared with about 2 percent growth last year.

To make the most of any continued strength in bonds, analysts counsel buying the individual markets, forsaking Ecu issues. A research report by J.P. Morgan says: "We recommend longer-term investors to switch some of their Ecu bond holdings into selected underlying markets that should outperform Ecu bonds, in particular France, Denmark and Spain."

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SPORTS BASEBALL

For O's McDonald, A Hapless Display Of Pitching Misery

Ben McDonald knew exactly what he wanted to do with the Toronto Blue Jays. Instead, they did it to him.

AMERICAN LEAGUE

ring to Darnell Coles, after a 10-8 loss to the Blue Jays in Toronto on Thursday night. He added, referring to Pat Borders and Joe Carter: "Borders was a belly-high fastball. I was trying to pitch Carter high, but I didn't get it high enough. It was four bad pitches."

The homers accounted for all of Toronto's six runs against McDonald.

After Damon Buford hit his first major league homer to pull the Orioles even 3-3 in the fourth, Sprague responded in the bottom half with his third of the season.

Angels 3, Yankees 1: Chili Davis hit a tie-breaking two-run homer off Steve Howe in the eighth as visiting California and the former Yankee Scott Sanderson beat New York.

Sanderson and Mike Witt staged a pitching duel. Witt, making only his third start of the season following right elbow rehabilitation, gave up just one run, six hits and one walk in seven innings.

With the score 1-1, Howe walked J. T. Snow, and Davis homered on a 0-2 pitch.

Sanderson gave up five hits in eight innings, improving to 4-0 lifetime against the Yankees.

Martinez 9, Indians 5: In Cleveland, Pete O'Brien ended an 0-for-16 slide with a single and one of four home runs as Seattle ended Cleveland's five-game winning streak.



The Seattle second baseman Rich Amaral and the Indians' Reggie Jefferson collided as Amaral turned a double play in Cleveland.

Astros Find Even a 4-Run Cushion No Protection

With a 4-0 lead, ace Doug Drabek working on a shutout in the ninth inning and top reliever Doug Jones in waiting if necessary, the Houston Astros' manager, Art Howe, had reason to be optimistic.

I thought we had it, after we hit those two home runs in the eighth," Howe said, after a 5-4 loss to visiting Cincinnati on Thursday.

Drabek — backed by three homers among Houston's six hits — lost his shutout bid on a double by Bobby Kelly and a run-scoring double by Jeff Branson. Jones came on and

got one out before allowing Kevin Mitchell's third homer and a double by Chris Sabo. Randy Milligan flied out before Sanders hit his fourth homer, a drive into the stands in left field.

Justice and Ron Gant homered and drove in four runs apiece for Atlanta.

The Braves scored at least one run in each of the first four innings off Colorado's David Nied, a former Atlanta prospect who was the top pick in the expansion draft. The Braves led 5-1 before Nied finally emerged unscathed in the fifth.

eligible Nov. 1, The Associated Press reported from Toronto.

"I don't even know if I want to remain an owner beyond November," she was quoted in the Toronto Globe and Mail on Thursday. "I'll have to think about it."

Montreal Victory, 4-3, Adds Up to Perfect 7

Seven games, seven victories. The Montreal Canadiens are still perfect in the 1993 playoffs.

Montreal won its second overtime game in a row as a deflected shot got past the Buffalo Sabres' goalie.

STANLEY CUP

Grant Fuhr, in the extra period, giving the Canadiens a 4-3 victory on Thursday in Buffalo, New York.

Buffalo now trails Montreal 3-0 in the Adams Division final. A loss in Game 4 Saturday night would end the Sabres' season and send the Canadiens into the Wales Conference final.

an Bellows early in the second period when four other players collided with the two of them and Fuhr at the side of the net.

Mogily immediately grabbed the leg, his face showing tremendous pain. X-rays later revealed the break in his right leg, near the knee.

Penguins 3, Islanders 1: In Uniondale, New York, Pittsburgh rode the hot goaltending of Tom Barraso to take a 2-1 lead over the Islanders in the best-of-7 Patrick Division series.

A tentative Mario Lemieux returned to the Pittsburgh lineup, but Barraso was the star. He made 36 saves to win a great goaltending battle with the Islanders' Glenn Healy, who made 26.

SCOREBOARD

BASEBALL

Major League Standings

Table with columns for Division, Team, W, L, Pct., GB. Includes American League East, West, and National League East divisions.

Thursday's Line Scores

Table with columns for Team, W, L, Pct., GB. Lists scores for games involving Montreal, Pittsburgh, and others.

BASKETBALL

NBA Playoffs

Table with columns for Round, Team 1, Team 2, Score. Lists NBA playoff games between New York, Indiana, and others.

BASEBALL

Pacific League

Table with columns for Team, W, L, Pct., GB. Lists Pacific League standings.

National League

Table with columns for Team, W, L, Pct., GB. Lists National League standings.

SIDELINES

Samaranch Snubs Berlin Over Riots

BERLIN (AP) — Berlin's embattled bid to stage the 2000 Olympic Games took another blow Friday when German officials said the International Olympic Committee president, Juan Antonio Samaranch, had canceled a trip to the German capital to avoid possible riots by anti-Olympic activists.

Samaranch was slated to visit Berlin on May 24 to attend the 80th birthday party of Willi Daume, the former German National Olympic Committee president, and present him with an Olympic award.

NFL and Players Reach Labor Pact

NEW YORK (AP) — For the first time since 1982, the National Football League and its players' union have agreed on a collective bargaining agreement. If ratified, the seven-year pact will bring to an end the labor strife that has plagued the league since 1987.

The agreement, announced Thursday night, gives the players substantial increases in pensions, further liberalizes free agency and boosts payments to players whose lives were radically altered by football-related injuries.

Spain joins England, Germany and Japan on the list of NFL preseason venues this summer when four overseas games will be played during the first week of the NFL season announced Thursday.

Only 2 Foreign Horses in Japan Race

TOKYO (AP) — Only two foreign horses, one American and one French, have been entered as the first non-Japanese contenders in the 43rd Yasuda Memorial race on May 16, the organizers said Friday.

Bowing to foreign pressure, the Japan Racing Association agreed to open the Yasuda Memorial race to foreign participants beginning this year. The association selected 12 horses out of 21 applicants, but only two accepted: 6-year-old Lotus Pool of the United States and Kiriwood, a 4-year-old colt from France.

For the Record

Brian Clough, manager of the Nottingham Forest soccer team in England, backed down on Friday from a threat to delay his retirement after 15 years with the club until a team director who campaigned against him resigned. Clough had threatened to stay on until Chris Woods, who made allegations against him in a British newspaper, quit.

CYCLING

Tour of Spain

Results Friday from the 12th stage: 229 km stage from Huesca to Zaragoza, 1. Domingo Indurain (Asturias), 2. Luis Llaneras (Asturias), 3. Juan Carlos Gomez (Asturias), 4. Alex Zola (Asturias), 5. Alex Zola (Asturias).

Tennis

Results Friday from the 12th round: 229 km stage from Huesca to Zaragoza, 1. Domingo Indurain (Asturias), 2. Luis Llaneras (Asturias), 3. Juan Carlos Gomez (Asturias), 4. Alex Zola (Asturias), 5. Alex Zola (Asturias).

Hockey

Stanley Cup Playoffs Division Finals (Best-of-7): Pittsburgh 2, NY Islanders 0; Pittsburgh 2, NY Islanders 0.

Transactions

BASEBALL American League: BALTIMORE — Put Harold Baines, outfielder, on 15-day disabled list, retroactive to May 5. Received Mark Leonard, outfielder, from Rochester, N.Y.

Soccer

WORLD CUP QUALIFIERS Asian zone, First Round: HONG KONG 2, BURMA 1; LAOS 2, VIETNAM 1.

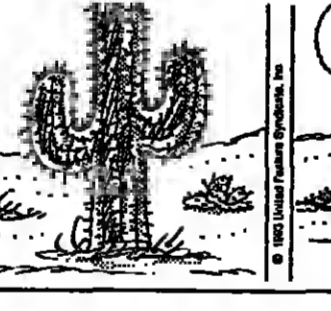
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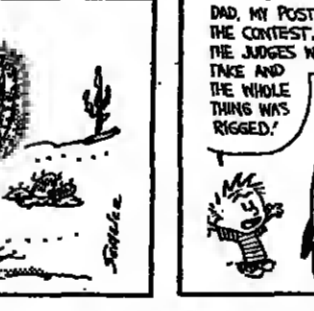
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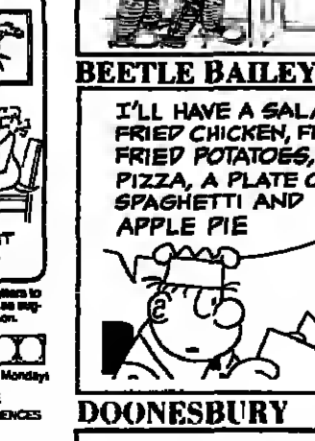
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JUMBLE

Word game section with a grid and clues for words like TUMON, FLYIM, FRINIM, YAXLAG.

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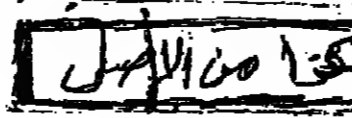


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SPORTS BASKETBALL

Boxing at Garden: Down for the Count

New York Showcase for Prizefights To Drop Sport, Citing Financial Woes

The Associated Press
NEW YORK — Madison Square Garden, once the showcase of prizefighters like John L. Sullivan and Joe Louis, is dropping its boxing division, the Garden said Friday.

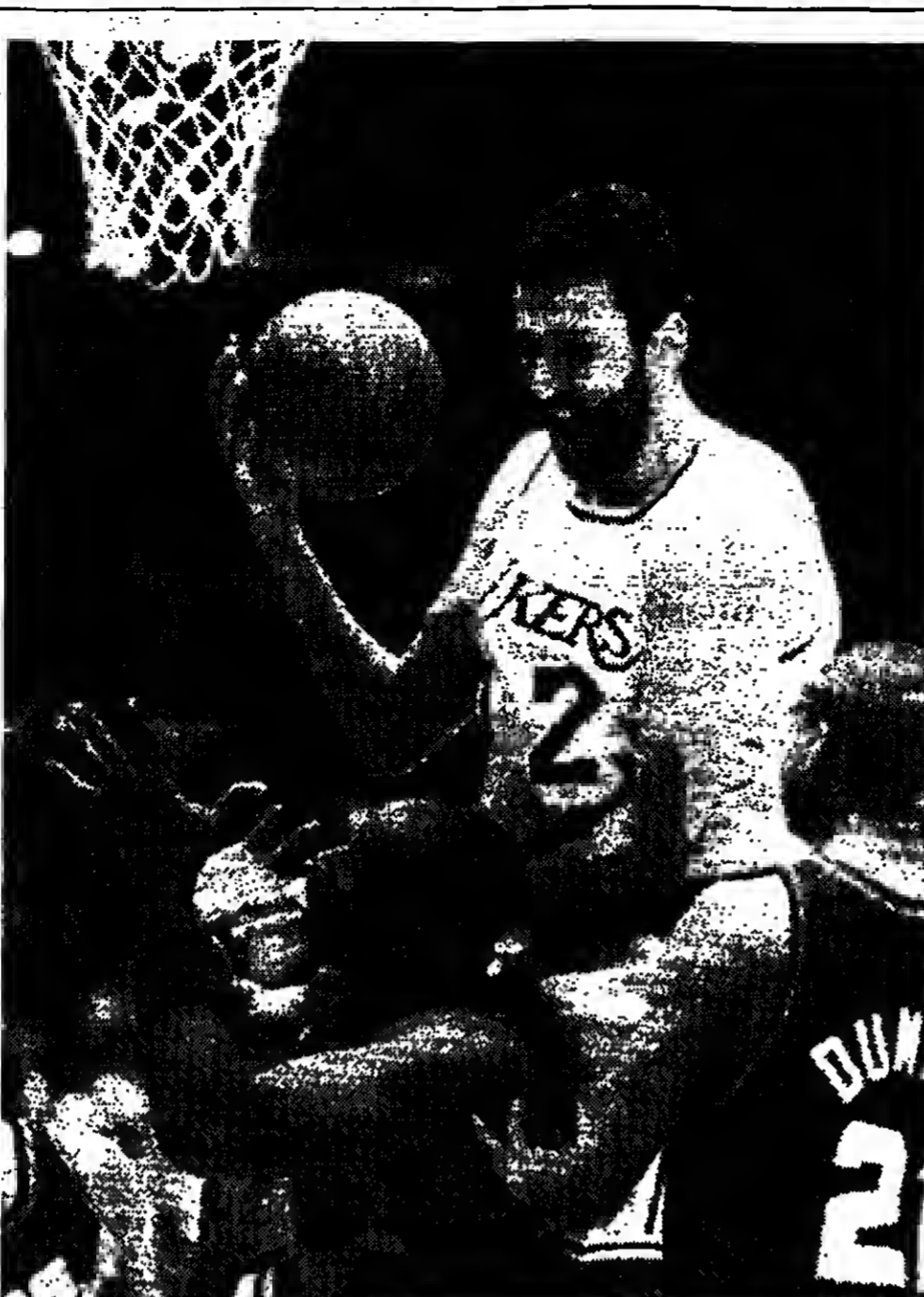
A source said the reason for the decision was financial. The Garden, where the sport has been a staple since 1879, has been losing money on boxing.

The New York Daily News and the New York Post first reported the story in their Friday editions. The Daily News said the decision was by the Garden's parent corporation, Paramount Communications Inc., because of allegations of ties between the sport and organized crime. Other sources said the decision was purely financial.

The Daily News quoted an unidentified source as saying Paramount "tricked out" over Senate subcommittee hearings on the sport. Testimony in the hearings has suggested that certain fighters, including James (Buddy) McGirt, have ties to organized crime. McGirt, the former junior welterweight and welterweight champion and his manager, Al Certo, has denied the allegations.

"But apparently the corporation was scared by the committee hearings," the source said. "Can you believe it? No Madison Square Garden Boxing? It's like saying no New York Yankees."

A source close to the Garden, who asked not to be identified, said alleged mob ties was a smoke screen. "They haven't been making money a long time," the source said. "Besides, the corporate monkey-mucks didn't really like it."



The Lakers' Vlade Divac soared over Mark West of the Suns to snatch one of his 12 rebounds.

Suns Shut Down Lakers, Knicks Oust Pacers in OT

The Associated Press
Paul Westphal, after predicting that the Phoenix Suns would rally from a 2-0 deficit to beat the Los Angeles Lakers, is using unorthodox methods to accomplish the feat.

The Phoenix coach, concerned that his players were pressing, halted talking basketball strategy at halftime before the Suns broke open a close game in the third period and beat the Lakers, 101-86, on Thursday night in Inglewood, Calif. The outcome tied the best-of-5 series 2-2 and brought Westphal within one victory, in Phoenix on Sunday, of seeing his prediction come true.

"We told a few jokes, we didn't talk about basketball," Westphal said. "That was our strategy. I just seemed like the right thing to do at the time. I've never done it before and I'll probably never do it again."

"I just felt we weren't loose enough," he added. Charles Barkley had 28 points and 11 rebounds for the Suns, who lost the first two games of the series at home. Westphal, noting a 23-game disparity between the two teams in the regular season, said after Game 2 that Phoenix would still win the series.

No team has ever lost the first two games of a best-of-5 series at home and come back to win. But since the current playoff format was adopted nine years ago, no eighth-seeded team has won a series over a No. 1 seed.

Rookie Oliver Miller and Kevin Johnson added 16 points each for the Suns, who took the lead for good in the second quarter when they made a 62-51 lead in the third quarter. Phoenix was the NBA's best team during the regular season,

with a 62-20 record, while the Lakers, at 39-43, were the only playoff team with a losing record. "I'm not sure we've got the home-court advantage now," said Barkley, a reference to the fact that the visiting team has won all four games so far in the series. "This may seem funny, but if I had to play one game with it all on the line, I'd rather play on the road," said the Lakers' coach, Randy Pfund. "I know this — we've been a better road team all year than at home."

The Lakers were 20-21 at the Forum this season and 19-22 away from home. Vlade Divac led the Lakers with 17 points and 12 rebounds. Barkley scored five straight points to make it 81-66 with 6:55 left. Los Angeles closed to 83-74 with 5:15 remaining, but Phoenix scored six straight points to seal the outcome. Knicks 109, Pacers 100, OT: Doc Rivers, a 31.7 percent shooter during the regular season, hit four 3-pointers and scored 14 of New York's 23 points in the final eight minutes of regulation and overtime in Indianapolis. The outcome gave the Knicks a 3-1 series victory and a berth in the Eastern Conference semifinals against Charlotte, which beat Boston in the Hornets' first NBA post-season appearance. The Pacers stayed without a victory in six playoff appearances despite Reggie Miller's 33 points, raising his average in the series to 31.5. But Miller scored just three points in the fourth quarter and overtime. "He got into a zone for a while, but in the fourth quarter we locked

PERSONALS

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DAVE BARRY

Here Comes the Bride

MIAMI — In response to numerous requests from the American Association of English Teachers on Drugs, we once again present "Ask Mr. Language Person," the column so authoritative that it recently received a question from none other than William Safire.

Q. Are you aware that the letters in "Wenatchee World" can be rearranged to spell "Chew a Rented Owl"?

Of Quotes, Libel and 'Literary Devices'

By Jane Gross

SAN FRANCISCO — He was a boastful young psychoanalyst who dared to challenge the deacons of his profession and thus was dismissed as the curator of the Freud Archives.



The psychoanalyst Jeffrey M. Masson, left, and the writer Janet Malcolm will square off in court Monday.

to note that Malcolm's editor for the Masson articles, and for her other work, is her husband, Gardner Botsford.

was so distorted in the articles that they damaged his reputation. Martin Garbus, a libel lawyer in New York, said that in his experience trying libel cases, stitching together separate interviews this way "horridly jurors," who expect "pure literariness" in the use of quotations.

PEOPLE

A Whole Lot of Taxis

For Jerry Lee Lewis

While Jerry Lee Lewis was off playing in Europe, Internal Revenue Service men moved into his Nesbit, Mississippi, home and seized guitars, furniture and even some of the singer's piano.

Queen Elizabeth II, ending a four-day state visit to Hungary with her husband, Prince Philip, got enthusiastic cheers that have been sorely missing among her subjects back home.

French dogs and cats beware: Brigitte Bardot is lobbying for a pet tax that she says would help reduce births of unwanted animals.

Gabriel Garcia Marquez is pulling his novels out of Colombian bookstores in disgust, saying competing with counterfeit copies of his works is "unjustified."

Charles W. Kennedy, the lead lawyer for the New York Times, said he found those observations "rather cryptic."

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WEATHER

Weather forecast section including maps for Europe, Asia, North America, and Latin America, with temperature and precipitation data for various cities.

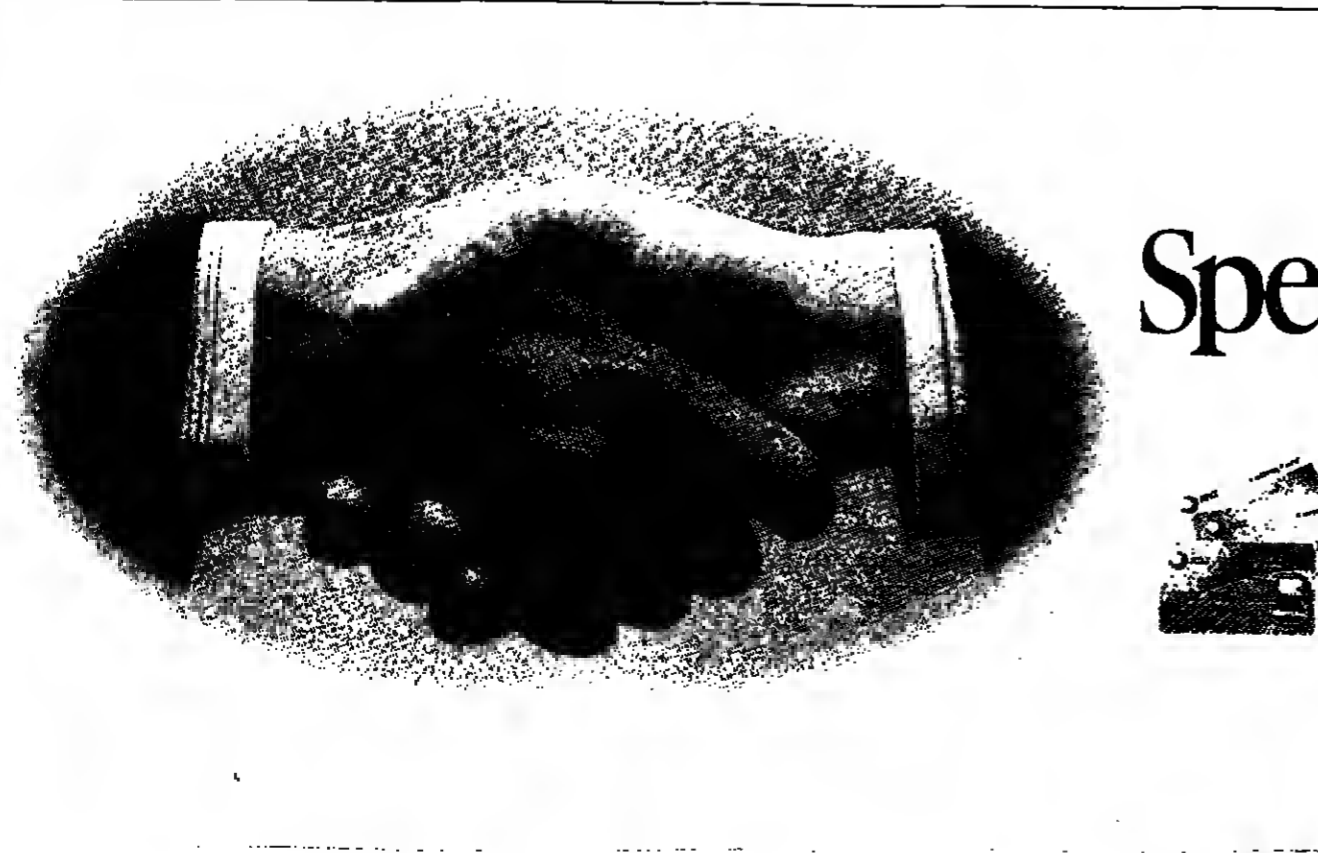
PUT THEM ALL TOGETHER By Irene Smullyan

Crossword puzzle grid with clues for Across and Down words.

BOOKS

RAMEAU'S NIECE by Cathleen Schine, 280 pages. \$19.95. Ticknor & Fields. Reviewed by Michiko Kakutani. "RAMEAU'S NIECE" is the title of Cathleen Schine's third novel, a takeoff, of course, on Diderot's well-known story "Rameau's Nephew."

Duke Ellington: Hometown Show. WASHINGTON — Duke Ellington is on the road again. A show reprising his lively life and lush tunes has opened in Washington, where he grew up.



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